FBIS DAILY REPORT

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IDB MEETING CONCLUDES; OFFICIALS COMMENT

PA242224 Panama City LA PRENSA in Spanish 24 Mar 83 p 4A

[By Jose Quintero de Leon]

[Text] The 24th annual meeting of the IDB Board of governors has concluded after listening to 3 days of protests from representatives of Latin American countries that have been touched only with lukewarm economic aid for their most important needs. The meeting took place in the Atlapa convention center. The results of the meeting provided little hope for the most needy members.

IDB President Antonio Ortiz Mena said that this meeting took place amid the worst economic crisis confronted by the world in the past 50 years -- a difficult situation, but at the same time a great opportunity that calls for calm thinking and a responsible search for constructive solutions.

Ortez Mena said that the almost unanimous testimony of the governors has confirmed his initial diagnosis about the grave situation we are enduring. However, it was also agreed that there is interest in uniting efforts in the search for friendly solutions that would effectively respond to the historic challenge we are facing.

Regarding Latin America, Ortiz Mena said that the big deficit in the balance of payments and the growing weight of the resulting foreign debt stopped the growth that had been taking place for the past 20 years and reduced the region's per capita income to the 1978 level.

Ortiz Mena said that the meeting had served to sign 12 loans and 3 technical cooperation agreements with Latin American countries. He said that a technical cooperation agreement was also signed with an interregional cooperation organization. He said that these operations amount to $753 million.

Meanwhile, Panamanian Commerce and Industries Minister Mario de Diego said: "These are times of anxiety, and some countries are almost desperate." He noted that the meeting had a greater importance because of this situation, since the big financial difficulties suffocating our countries were presented as challenges calling for actions that would solve, not simply alleviate, these difficulties.

Ortiz Mena noted the important role that the IDB has played in the peace and calm that the Panamanian people enjoy at this time thanks to the 59 loan operations for $551 million that the IDB has financed in Panama. Ortiz Mena pointed to the imposing Atlapa conventions center that housed the meeting that was then drawing to an end as an example of IDB activities among us.

The meeting was closed by Jose Menalco Solis, planning and economic policy minister of Panama and president of the Board of Governors, who insisted on the obligation of the IDB members to think carefully about the integrationist legacy handed down by Simon Bolivar, the liberator, to make it effective in line with the needs of the people of our continent.

He said: "This way we would be improving the liberty, independence and sovereignty that the liberator gave to our people." He added: "This is the only way that Bolivar's work would not have been in vain." Solis said that our best homage to Bolivar would be to act right now with whatever resources we have, because this would be homage made with specific actions going beyond words and symbolic gestures.

Solis said he is sure that Panama will continue enjoying the peace and calm that the 2,000 visitors experienced. He noted: "We will continue working hard to safeguard it, just as we have in the past with aid from the IDB."

OLADE TO MEET IN QUERETARO, MEXICO 25 MAR

FL241642 Mexico City NOTIMEX in Spanish 0256 GMT 24 Mar 83

[Text] Mexico City, 23 Mar (NOTIMEX) -- The ministers of the Latin American Energy Organization [OLADE] will meet in Queretaro beginning tomorrow to analyze the future of development and cooperation in the field of fuels. The meeting will begin at 0930 at the Mansion Galindo with the attendance of Mexico's Secretary of Energy and Mines Francisco Labastida Ochoa, Venezuela's Oil Minister Humberto Calderon Berti and Emilio Pappaccioli, director of Nicaragua's Energy Institute.

The report on the progress of actions of the Latin American Program on Energy Cooperation (PLACE), which deals with hydroenergy, hydrocarbons, geothermal energy, bioenergy, planning and training, is at the top of the list of the meeting agenda.

The OLADE ministers committee is formed by representatives from 25 countries, among them Brazil, Cuba, El Salvador, Guyana, Jamaica, Panama, Dominican Republic and Mexico. The OLADE executive secretary is Ulises Ramirez Olmos.

Madrid EFE Report

PA250149 Madrid EFE in Spanish 0921 GMT 24 Mar 83

[Excerpt] Queretaro (Mexico), 24 Mar (EFE) -- The eighth meeting of the Latin American Energy Organization, OLADE, ministerial committee will begin today in this city with the attendance of the persons responsible for the energy policies of six countries.

The report on the advances of the Latin American Program of Energy Cooperation, PLACE, in regard to hydrocarbons, coal, hydroelectric energy, geothermal energy, bioenergy, planning and training is of special importance in the work program for this meeting that will end on Friday.

Barbados, Brazil, Nicaragua, Uruguay, Venezuela and Mexico are represented at this meeting. Ulises Ramirez Olmos is OLADE's executive secretary.

UK ORCHESTRATING DESTABILIZATION CAMPAIGN

PY250152 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0130 GMT 25 Mar 83

[Text] Buenos Aires, 24 Mar (NA) -- Argentine Interior Ministry spokesmen tonight confirmed that the government has information concerning a campaign which is being orchestrated from Great Britain to destabilize the Argentine democratization process.

The spokesmen, who promised to supply "concrete and precise information" in the coming days, claimed that the "rumors about resignations of ministers and even about alleged disagreements between the chief executive and the members of the military junta" are part of this campaign. They added that "the slander directed at certain figures of the process of national reorganization is also related to this campaign."

The sources said that the interior minister "has received information from Great Britain about the planning of this campaign." They guaranteed that "the sources of this information are closely related to Great Britain and the foreign office."

SOVIET OCEANOGRAPHIC SHIP ARRIVES BUENOS AIRES

PY242239 Buenos Aires Domestic Service in Spanish 2000 GMT 24 Mar 83

[Text] The oceanographic vessel of the Soviet Navy "Admiral Vladiminskiy" berthed at the northern dock of the metropolitan port this morning. The ship is undertaking a scientific research campaign in the Antarctic region and is commanded by Soviet Commodore [Capitan De Fragata] [name indistinct]. Vice Adm Vladimir Ilyich Akimov, deputy director of the Navigation and Hydrography Department of the Soviet Navy, is also aboard the ship.

The ship was received by a Navy commission headed by Capt (Miguel Angel Grondona), the Soviet Naval Attache (Valentin Bigofchenko) and other diplomatic and military dignitaries. Admiral Akimov and the commander of the ship then made a protocol visit to the Soviet ambassador to Argentina and to Adm Carlos Pablo Carpintero, chief of staff of the Navy, at the Libertad Building.

CENTER PARTY DISCUSSES COSTA MENDEZ CANDIDACY

PY241642 Buenos Aires TELAM in Spanish 1150 GMT 23 Mar 83

[Excerpt] Cordoba, 23 Mar (TELAM) -- Miguel Culaciati, leader of the National Party of the Center [Partido Nacional del Centro] of this province, has reported here that former foreign minister Nicanor Costa Mendez is a member of the Federalist Party of the Center [Partido Federalista del Centro] of Buenos Aires, which is headed by Dr Cristina Guzman.

In remarks to the press, Culaciati stated that Costa Mendez had said that he would not head a presidential ticket. But Culaciati said that his party will support his candidacy anyhow, because given the confusing situation prevailing in the political center there is no other person who can be proposed.

NICARAGUAN ENVOY REPORTS BOLIVIAN SOLIDARITY

PY241318 Paris AFP in Spanish 2321 GMT 23 Mar 83

[Text] La Paz, 23 Mar (AFP) -- The Bolivian Government headed by President Hernan Siles Zuazo today expressed its solidarity with the Nicaraguan Sandinista regime, which is threatened by an aggression launched by former Somozist guards from Honduran territory, Nicaraguan Ambassador Ramon Leets reported here.

The ambassador said that Foreign Minister Mario Velarde Dorado expressed the Bolivian support for his country during a meeting he held with the Bolivian official. Ambassador Leets briefed Velarde Dorado on the aggression launched from Honduras.

During a press conference the Nicaraguan ambassador remarked that the Bolivian foreign minister expressed to him the Bolivian support for Nicaragua's right to defend its territorial integrity and sovereignty.

For his part, Marcos Domich, deputy for the UDP [Democratic and Popular Unity] -- the government party -- stated that the UDP government has supported and will support the Nicaraguan revolution. We know that the Nicaraguan people will emerge with victory, like at Playa Giron or the Bay of Pigs. Invaders will be defeated, Domich said.

The Nicaraguan Embassy reported that approximately 2,000 former Somozist guards have entered Matagalpa to begin destabilizing military actions. The Nicaraguan Army will not answer the provocations that seek to spark a war in the region and to provide a pretext for a Honduran aggression against Nicaragua, Leets said.

VELARDE DORADO OUTLINES SILES' PARIS TRIP

PY241346 Paris AFP in Spanish 0425 GMT 23 Mar 83

[Text] La Paz, 22 Mar (AFP) -- Foreign Minister Mario Velarde Dorado stated here today that Bolivia hopes that the French socialist regime will plead our case to its EEC partners so as to ensure President Hernan Siles Zuazo's ongoing economic recovery program.

We hope that a friend will introduce us to new friends who will understand our situation, Velarde Dorado stated at a press conference during which he officially confirmed Siles Zuazo's trip to Paris on Saturday at 1100 local time.

The objective of this visit is to discuss international issues, the world situation, bilateral matters, the foreign debt problem and general and private international cooperation, Velarde Dorado stated.

The foreign minister will accompany President Siles Zuazo on his visit to Paris. Planning and Coordination Minister Arturo Nunez del Prado, who has traveled to Brazil, will join them in Paris.

Bolivian experts held several meetings with French Embassy officials in preparation for the meeting between Presidents Francois Mitterrand and Siles Zuazo. They also studied economic cooperation projects.

Ambassador Raymond Cessaire stated that France will make direct investments in development projects which will be included in the national plan of President Siles Zuazo. According to local political observers, Siles Zuazo's visit to Paris will mark a renewal of Franco-Bolivian relations, which had cooled over the past 10 years.

FOREIGN DEBT INTEREST PAYMENTS RENEGOTIATED

PY241338 Paris AFP in Spanish 2016 GMT 23 Mar 83

[Text] Panama, 23 Mar (AFP) -- Bolivian Finance Minister Flavio Machicado confirmed to AFP today that Bolivia renegotiated $90 million of the interest on its foreign debt that was due its creditors among international commercial banks. This took place during the assembly of Inter-American Development Bank governors.

Bolivia reached an agreement in principle with its creditors to postpone payments of capital until a new discussion of the matter is held next 6 October and to postpone payment of interest due until next 6 September.

The refinancing affects the payment of interest owed by Bolivia since 6 April last year. Bolivia is, in fact, in a situation of complete default in the payment of its debt.

A banking source stated that Bolivia is able to undertake a payment program for its foreign debt because Argentina has promised to resume payments for its imports of Bolivian natural gas. The payments were suspended during the armed conflict with Great Britain over the Malvinas Islands.

EXPLOSIONS, GUNFIRE REPORTED IN CHALLAPATA

PY250156 La Paz Cadena Panamericana in Spanish 0000 GMT 25 Mar 83

[Excerpts] The people of the locality of Challapata, Oruro Department, are experiencing some tense moments and they are in a state of emergency after they decided to block highways to show their objection to a draft law that creates the new province of (Sebastian Pagador), whose capital would be Huari. (Jorge Barrientos), our correspondent in Oruro filed this report:

[Begin relay from Challapata] This town is experiencing a tense situation in the wake of the aggressive spirit of the people, who have blocked highways. Something similar is happening in Huari. The people demand that congress quickly repeal a decree creating the new province of (Sebastian Pagador), whose capital would be Huari.

The people of Challapata, encourged by their civic committee, their authorities and even (?landowners) from the (?Chuquisaca) region, have categorically objected to this decree because, they claim, it will hurt their economic interests.

Armed with spears, stones, sticks and even dynamite, the people of Challapata and Huari are practically ready for action.

The rattle of machinegun fire, dynamite explosions and constant stone throwing have spread over this sector. This has been Panamericana reporting. [end relay]

DEPUTIES DECRY INVASION OF NICARAGUA, SCORE U.S.

PY250306 Brasilia Domestic Service in Portuguese 2200 GMT 24 Mar 83

[From the "Congressional Report"]

[Text] Deputy Jackson Barreto has stated that the U.S. backed attempt to invade Nicaragua provokes worldwide protest and revulsion.

Deputy Jose'Fogaca expressed his solidarity with the Nicaraguan Government and people in their struggle for liberation and condemned every form of foreign interference in that country.

Deputy Artur Virgilio Neto also criticized the Honduran position toward Nicaragua, which has given an example of faith and courage to Latin America at large.

Deputy Cristina Tavares outlined the technique used by U.S. imperialism in Nicaragua.

Deputy Dante's de Oliveira rejected the U.S. attempts to destabilize the current Nicaraguan Government.

Deputy Marcio Santilli endorsed Oliveira's remarks and requested that the Brazilian Government state its position on the issue.

Deputies Joao Gilberto, Jose Genoino and (Luiz Guedes) called upon Brazilian diplomats to take urgent actions to prevent the conflict from spreading to Central America at large by preventing foreign intervention.

GALVEAS RECEIVES UK'S LAMONT; TRADE DISCUSSED

PY241624 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Mar 83 p 17

[Text] Brasilia -- Upon expressing interest in purchasing Brazilian aviation equipment, British Assistant Secretary of State for Industry Norman Lamont told Finance Minister Ernane Galveas yesterday that the recessive tendency recorded in 1982 will be reversed and that the market will be more open for raw materials and manufactured products. According to Lamont, this will provoke an acceleration in international trade.

Lamont feels that Brazil's efforts to increase its exports will be positive this year, because the results of 1982 were an exception regarding world trade. He also termed correct the current process of adjusting the balance of payments "through well prepared financial programs."

CHAMBER APPROVES FIGUEIREDO TRIP TO MEXICO

PY250137 Brasilia Domestic Service in Portuguese 2200 GMT 24 Mar 83

[From the "Congressional Report"]

[Excerpt] By a 220-29 vote, with 3 abstentions, the Chamber of Deputies approved a bill authorizing the president of the republic to leave the country during the second half of April to make an official visit to Mexico.

GALVEAS NEGATES DEVALUATION POSSIBILITY

PY242326 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 83 p 15

[Text] Rio de Janeiro -- Finance Minister Ernane Galveas, who arrived in Rio to attend the swearing-in ceremony of the new Fetraban/Fenabam [expansion unknown] board, stated that "the possibility of a new maxidevaluation of the cruzeiro only exists in the heads of some idiots." According to the finance minister, those who predict an inflation rate of 150 percent for this year "are out of touch with reality," since the government hopes that it "will be less than that of last year, if possible substantially less."

The finance minister doubts that the government's credibility has been jeopardized because of its decision to implement a maxidevaluation after several denials that such an event would occur and after several revisions of economic goals. He said: "The people have faith in the government, the financial market has faith in the government, businessmen have faith in the government. I believe that ours is not a foolish government and only a foolish government would announce beforehand that it would implement a maxidevaluation."

As for the foreign debt situation, Galveas noted that "Brazil is fulfiling its commitments, thus improving its prestige within the international financial community." Moreover, he said that within the overall agreement that is under negotiation with banking institutions, project no 2 (automatic renewal of credits owed by Brazilian enterprises and banks) is closed, "with the credit balance being accumulated at the Central Bank."

According to Galveas, project no 1 (financing of $4.4 billion to cover the current account deficit) is also closed with the "jumbo" loan to be issued in "four stages." project no 3 (commercial credit line, estimated in $8.8 billion, but which may total $10 billion) is the only project that the minister admits is not completely closed in view of the nature of short-term operations.

COMMUNIST PARTY'S VOZ DA UNIDADE SEIZED

PY250256 Sao Paulo Radio Bandeirantes Network in Portuguese 0230 GMT 25 Mar 83

[Text] The federal police seized in Sao Paulo edition no 145 of the newspaper VOZ DA UNIDADE, the official mouthpiece of the prescribed Brazilian Communist Party. The newspaper was to appear on Friday, 25 March, with a 12-page special edition to defend the party's legalization.

CACERES ADDRESSES NATION ON ECONOMY 22 MAR

PY230332 Santiago Domestic Service in Spanish 0155 GMT 23 Mar 83

[Speech to the nation by Chilean Finance Minister Carlos Caceres in Santiago on 22 March -- presumably live]

[Text] Complying with an express request from his excellency the president of the republic to the effect of putting into motion an emergency economic plan designed to promote the recovery of both production and the employment level of the country, a committee chaired by the finance minister and made up of the economy minister and the director of the National Planning Office proposed courses of action to achieve the stated goals. A careful study of these courses of action in light of the country's realities and possibilities gave way to the plan which is now approved and will be in force beginning tomorrow.

It is known that the country's financial problems stem primarily from a far-reaching international financial crisis. Recession, high unemployment, bankruptcies and instability of monetary and financial systems are being experienced today even in wealthy developed countries.

Latin America has been particularly hard hit by this crisis. The four major economies of the area have found it impossible to meet their international commitments stemming from their unprecedentedly large debts. Our country was able to overcome the first stage of the international recession thanks to an exceptionally large flow of net international loans it received in 1981, when Chile received $4.8 billion in the form of net foreign loans.

The situation has dramatically changed since 1981 to the point that in 1982 the country only received $1.3 billion in net foreign loans.

Faced with the impossibility of continuing to receive a reasonable flow of foreign capital, our country was forced to examine the costs of the crisis. This entailed a long period of reduced activity, hardships and a drop in the people's standard of living.

I cannot ignore the internal problems that also contributed to worsening the crisis. In time it became difficult, if not impossible, for economic leadership to predict the duration of the international recession. In view of the initial, widespread belief that the recession would be short-lived, it did not seem justified to make in-depth changes.

During the years of normal international economic activity, including the 1977-80 period, our country grew at a 5.5 percent annual average, that is, two times more than its regular growth percentage without having markedly increased its foreign debt.

In other words, the social market economy has proven with facts that as long as there is a normal international situation it can offer the best prospects for development and well-being to the Chilean people.

By contrast, other systems applied in Chile in times of international boom, when the copper prices doubled in real terms over those prevailing during the 1970-80 period and when large amounts of aid were received from foreign government, were not instrumental in even reaching half of the growth rate mentioned above and far from met the people's desires.

Therefore, in keeping with what is clearly in the best interests of the nation, the government should maintain an economic system based on private ownership of the means of production, on the sound operation of competitive markets, on the government's engaging in economic activities only when the private sector cannot do it and on a free trade system.

In recent times the country has adopted corrective measures and made progress in the task of overcoming the impact of the international financial crisis and of coping with the large debt mentioned earlier.

In the first place, a realistic monetary exchange policy has been in force since last year. This policy has stimulated a large increase in exports which moderately compensated for the low international prices.

Thus in 1982 we had a surplus of more than $200 million in our trade balance after having had a deficit of more than $2.6 billion in 1981. Our projecte surplus for 1983 is on the order of $1 billion.

This policy has also promoted a significant reactivation in the production of national items substituting for imports.

Secondly, it is proper to mention the courageous steps taken by the government to correct the financial system. The shortage of capital in the country and the low domestic savings led to an inadequate ratio between debt and capital, which became worse as a result of the negative connection among financial companies and large private productive enterprises.

The economic leadership was compelled to decree the intervention of five large banks in order to prevent thousands of savings account holders from suffering the consequences that they might have otherwise encountered.

After predictable initial setbacks and a temporary loss of confidence, which usually appears after this kind of strict measure has been taken, a steady decline in interest rates followed. This is a fundamental requirement for recovery and also clear evidence that the government's intervention in the financial market was necessary to promote efficient use of savings and investment.

The government's constant concern over the social sector has been reflected by the sustained efforts it made -- during the most difficult period -- to earmark as many funds as possible for special unemployment programs that include heads of households and professionals.

Also, despite declining monetary resources, costly but essential nutrition programs have been sustained, thus helping the lower income sectors. The number of housing subsidies, as well as the subsidies themselves, have been increased, and their distribution has been improved to a satisfactory level.

The government has agreed to make a revision of the program that was submitted to the IMF. This revision has permitted us to correct deviations arising from fiscal deficit, reserve decline and credit expansion program.

Strict compliance with the agreement signed with the IMF will provide proper conditions for refinancing the debt owed to the international banking system and for securing new resources, which are essential for the recovery of our economy.

These negotiations will make available some resources to local debtors. In other words, even though the government will stick to its decision not to grant either special remission or debts or subsidies to debtors, it will provide the latter with the financial help that it -- in its capacity as legitimate supporter of the people -- was able to obtain for the purpose of overcoming the crisis that all Chileans want to solve.

Tonight I would like to stress categorically the government's commitment to maintain a low inflation rate. The government is aware that inflation is the most regressive and antisocial tax, because it hits those who are poor, who live on fixed incomes and who do not have significant assets.

Inflation will never be an alternative for a responsible government. We know the cost that the poor had to pay for inflation in the past. We also know the socio-political chaos that its scourge brings to nations that resort to artificial solutions.

But all of us are aware that a sacrifice has been imposed on us, and each of us, in one way or the other, is bearing the burden. This compels us to be realistic. We are short of economic resources. We cannot expect a miracle that will multiply them. The crisis will only be solved through the production or acquisition of real and effective resources, not through magic formulas.

This is a commitment that the government has assumed, not only to our country's citizenry, but also to the world and all the other nations which have trade relations with us.

Chile is a responsible country and its economy will continue to be managed responsibly.

We can make mistakes, but under no circumstances -- not even in an emergency -- will we face the situation with dishonest formulas. This is not the time for either illusions, a general remission of outstanding debts and taxes or hesitation. It is a time when realism and the responsibility of everyone will be the only way in which the productive apparatus can be revived.

However, the alternatives chosen for recovery are pragmatic in the sense that at times they call for the temporary lifting of some measures that, even though the government deems to be essential for long-term purposes, must be flexible in order to overcome the present situation and to secure fiscal financing that may allow us to maintain social programs at their present level.

We have now gone through the worst of the crisis. We have a significant internal infrastructure, qualified manpower and businessmen who, through their ability and will have been able to overcome difficult setbacks. All of this has been accomplished in an orderly fashion and with a social peace that are unique in our history.

The essential points of the program that I will describe is based on the maintenance of the stability of the government's economic policy and on the changes that are necessary in order to overcome the crisis.

The improvement in the mechanism aimed at putting the financial system on a sounder footing, and a skillful distribution of credit resources have made it possible to offer a 30 percent refinancing to producers who are in debt.

The improvement achieved in putting the financial system on a sounder footing and an effective distribution of credit resources have made it possible to offer the productive sector debtor the possibility of refinancing 30 percent of that portion of his loan which does not surpass 25.5 million Chilean pesos, either in our national currency or its equivalent in foreign currency. Therefore, those persons who may have contracted debts destined for activities which will generate jobs, including the transport of persons and cargo, will be able to refinance their debt on a 10-year term, at an annual 7 percent real interest rate, with a 5-year grace period for the payment of the principle and 1-year for the payment of interest.

Moreover, the financial enterprises have the option of offering these same producers this refinancing program for the portion of their debt which surpasses 25.5 million Chilean pesos. In other words, the producer that generates goods and services and owes the financial system, for example, 10 million pesos will automatically be able to refinance 3 million pesos under these conditions. As for the remaining portion the debtor will cancel it in compliance with the terms of the original agreement or renegotiate with its creditor bank. However, it will be required that all refinancing terms include stricter guarantees and that they be carried out with reliable debtors.

Moreover, a program which will be in force until 31 December 1983, should allow the prompt sale of a large majority of newly built houses or houses in the process of being finished which are financed or belong to the banking system. This credit line will make housing more accessible to the people who will be able to purchase them on a 20-year contract at 8 percent real interest. This program will require a joint effort of those banks and financial enterprises which are in condition to grant loans on a 12-year contract at an interest rate of 12 percent and of the Central Bank which will grant the corresponding complementary facilities. This is an extraordinary measure. The prompt response of the banks will ease the pressure on the credit market with the consequent effects on the interest rates.

The government thus proves its desire to promptly solve problems which have seriously stagnated resources.

Within the next 10 days the Central Bank of Chile will establish the agreements and issue the measures for the renegotiation of debts and the financing system for the purchase of these houses.

In keeping with its principle to maintain a realistic exchange policy, the government has decided that as of this date the exchange rate should be adjusted exclusively on the basis of the rate of domestic inflation without any additional discounts for external inflation. This is a confirmation of a realistic exchange rate capable of keeping our exports and import substitutes at a competitive level. Moreover, this policy is a requirement for an economy which must meet important foreign commitments during the next few years. The elimination of an additional discount for external inflation as of this date is implemented due to the drop of inflation rate experienced by developed countries and it will compensate exporters for the increase of export taxes of which I will discuss later on.

The government wants to reiterate that there is no need for a devaluation as some have recommended. The country enjoys an ever-increasing trade surplus. The problem it has of meeting its balance of payments stems from the drop in foreign loans and which is something which cannot be solved by modifying the exchange rate which, needless to say, is the highest -- in real terms -- in the past 25 years.

However, we have decided to unify the exchange and gold market and prohibit the carrying out of transactions among private individuals without resorting to the officially authorized enterprises. The official exchange market will continue to be handled by the same enterprises which have being doing so so far at the official exchange rate.

The Central Bank, to maintain exchange and gold operations which are carried out between private individuals legal and clear will only allow them to be carried out by reliable enterprises and will prosecute those individuals who, without the necessary authorization, regularly engage in this type of operation outside the law.

Our country will continue to maintain a free trade policy since this is the only policy that will result in effective national production and in an improvement of Chilean trade and Chilean presence in international markets.

Exports will continue to be a priority objective for achieving our development, and they will be promoted through an improved exchange policy since the additional discount for external inflation has been eliminated. Nevertheless, all sectors, particularly those that are more dynamic, should make every effort to meet present needs.

In keeping with this objective, measures will be adopted to accelerate export income. Therefore, the present deadlines will be decreased to 90 days, and the value-added tax will be reimbursed to exporters when they receive payment.

The Central Bank will issue general guidelines on exceptions to the shortening of deadlines on the return of currencies to the country under special circumstances.

Regarding imports, the Central Bank will establish a minimum deadline to cover them. Payments abroad will be allowed only when this deadline, which will not surpass 120 days, has expired. However, importers will be allowed to establish the exchange rates at the time of their deposit in the equivalent amount of national currency. Moreover, the Central Bank will carry out more intensive investigations of dumping and subsidies of exports by countries in order to avoid their negative effects on national production.

With the objective of promoting an increase in national agricultural production -- a sector where the country is experiencing a deficit -- the government will support private enterprise in agricultural trade through the granting of credit programs and bank credits. Moreover, it will mange the means available, such as specific privileges in order to assure that agriculture producers receive a price that is in keeping with the international price of similar products.

The finance, agriculture, and economy ministries will study specific situations and implement the proper decisions.

To meet the requirements established in some of the previsouly mentioned measures and to reenforce public sector programs, the government has adopted a series of measures with the objective of obtaining greater resources.

The government is aware that these measures will mean more expenditures for Chilean consumers and that they will deprive them of the income they would have had available as a result of a decrease in international oil prices. But the resources derived from these fiscal measures will allow us to achive a swifter economic recovery which will benefit the entire Chilean community.

In keeping with this objective we have adopted the following decisions regarding fiscal measures:

1. The establishment of a temporary surcharge of 10 percent above those applied on imports. Therefore, in the future, the tax will total 20 percent, until October 1984 when the surcharge will gradually decrease until it again reaches 10 percent in December 1985.

This temporary surcharge does not mean that the government will cease to implement its policy of regular and low taxes [aranceles parejos y bajos] but rather that it is implementing a temporary surcharge aimed at collecting resources for the National Treasury.

In so doing, we are showing our belief that a realistic exchange policy is the best protection we can offer national producers.

Those imports made prior to this date that are not affected by this surcharge, will be subjected to a temporary 12 percent tax on the purchase of the currency needed to pay for these imports.

2. The tax on gasoline will be increased. However, this increase does not mean that there will be a substantial increase in the price of gasoline and will be established only so that the decline of international oil prices will help finance less favored sectors.

Moreover, in so doing the government avoids taxing those mass consumption fuels and their byproducts, such as liquid gas, and kerosene, or fuel oils of industrial consumption, such as oil.

3. In order to avoid any distortions in the international gold market, an added-value tax is hereby established on all buy-sell operations by the Central Bank involving this commodity.

Therefore, gold producers will now have a new domestic market to place their production.

4. As an additional financing measure, it has been decided to continue promoting the sale of state assets which, because of their nature, should be managed by or belong to private citizens so that their resources should be invested in operations that are deemed proper.

5. The government has decided to emphasize the demand for greater caution in expenditures and for exemplary austerity at all public administration organizations and enterprises in order to increase productivity and energetically cooperate in the country's economic recovery.

The sale of expendable state assets, the promotion of national products, the elimination of superfluous expenditures such as trips, expense accounts, purchases of vehicles, will be duly supervised. Restraint and the national interest should be held as the example in public offices.

The orderly operation of the capital market requires the drawing up of a legal framework that will eliminate those distortions stemming from the scarcity of capital which led the productive and financial enterprises to establish improper relationships, exerting an artificial pressure on the interest rate and eroding the necessary equality of opportunity in access to credit and harming free private enterprise.

In this regard new financial legislation will be proposed to prevent the financial system from once again experiencing the unstable periods recently endured.

In order to encourage time deposits the banks will stop paying interest on demand deposits.

In order to encourage the reorganization of indebted enterprises it has been decided to establish a tax incentive which should have a favorable impact in reducing the level of indebtedness of all financial enterprises and businesses of the various sectors. It has thus been decided to grant an annual 8 percent tax deduction on all capital investment which will help offset the current debt level. This incentive will be in effect for the next 4 years.

The government has decided to grant three compensatory bonuses to the employees of the public sector, municipalities, higher and general education and subsidized private schools. These bonuses, which will be granted in April, September and November, will all be the equivalent of 30 percent of the respective base monthly salary.

The government authorities are aware that these bonuses do not fully compensate for the deterioration in purchasing power experienced since the last increase was granted, therefore, it is firmly determined to increase the bonus for the aforementioned sectors as soon as the Chilean economy starts feeling the effects of the recovery from the international crisis.

In sum, the decisions and lines of actions adopted constitute a package of measures aimed at confronting, in the best way possible during an emergency period such as the one we are currently faced with, the difficulties we are experiencing.

These measures entail the following objectives:

1. Regarding foreign trade, to expedite tax remissions and to encourage the use of credits for imports, which are temporarily subject to a tariff increase.

2. To maintain a realistic exchange policy with the necessary modifications stemming from the drop in the inflation rate in developed countries and the payment of compensations to exporters for the increase of export taxes, which will have an impact on imported inputs.

3. Refinancing the debt of productive enterprises and selling off available houses. These facilities in both cases will be in keeping with possibilities.

4. Aiding the marketing of farm products.

5. Granting bonuses for public employees.

6. Granting tax incentives for the settlement of debts and establishing the guidelines for austere and efficient public expenditure.

We have thus outlined clear lines of actions to guide the decisions of Chileans. We admit that the path to be taken is not free of obstacles, however, the government has already done its part, keeping within the framework of what it can do, to alleviate the most negative efforts of the austerity.

Ladies and gentlemen, the government is certain that the measures taken previously, adjusted to reality and in keeping with Chile's economic policy and the serious image which it has achieved abroad will help to strengthen the gradual recovery whose beginning can already be felt in the country.

The government cannot offer nor less still grant resources that it does not have, nor will it adopt an inflationary policy which will irresponsibly burden the most needy sectors with its effects, thus causing the consequent social chaos.

However, I would like to add that countries, like ours become even greater when they have to confront adversity.

History is a true witness of the courage of the Chilean people. We are all committed to a common undertaking: Chile.

Nothing is achieved without sacrifice and common effort. Those countries that are constantly achieving development do so mainly on the basis of their own resources. Therefore, we shall dedicate the best of our efforts to achieving this goal.

Let us resort to those characteristics that are inherent to the Chilean people such as sobriety, austerity and honor in our commitments. These characteristics, in addition to prudence in our actions, must be vital elements in our future tasks.

Let us be on the alert for those who do not make any contributions toward achieving the recovery of the nation. Among them are those who speculate against their own currency, those who do not honor their commitments, those who conceal their assets, those who delay or refuse to pay their debts, those who are stymied by adversity, those who are timid or impatient, to those who spread rumors, those who are involved in demagogic actions and those who peddle illusions.

There are many who even today request the return of an all powerful state, forgetting the corruption and discriminatory and disgraceful treatment that are inherent to this kind of government. In difficult times it is proper for every Chilean to assume his responsibility under the calm and prudent leadership of a united government that has never forgotten that its main task is to seek the well-being of the people.

We have lived too long in a period of uncertainty and rumors that have undermined production. The prevailing external conditions allow us to achieve a reactivation of our productive sector. This should restore the faith of the Chilean people in their country's economic future. It is a future in which we shall be able to meet contracted debts and begin a new period of growth within the framework of austerity, in view of considerable liabilities and the need for an intensive domestic saving effort.

These domestic and external objectives, in addition to the traditional integrity of Chilean citizens, allow us to assert that 1983 will be the year of economic recovery. Moreover, I hope that the hearts of all fellow citizens will be filled with the hope for a better future. That future can only be achieved through the strong effort of every single Chilean. Therefore, I invite you all to fully participate in this undertaking which is so important in view of the present circumstances and since I am certain that we are on the right path that shall lead us to achieve the well-being of the nation.

That you very much.

VIOLENCE, BOMBINGS REPORTED IN SANTIAGO 24 MAR

Montero Promises Energetic Response

PY250013 Santiago Domestic Service in Spanish 2300 GMT 24 Mar 83

[Report from La Moneda Palace by Graciela Contreras]

[Excerpt] This afternoon the government confirmed that it will act with the greatest energy against those who cause disorder or disturb public order. Interior Minister Enrique Montero stated a few minutes ago, regarding the events that have taken place because of the attacks and three bomb explosions in this capital, that the government maintains that there is a direct and close relationship between the events of this morning and what might occur tonight as a consequence of the call to participate in an unauthorized demonstration. In view of this, he stressed, the government has taken all advisable and necessary measures to prevent disorders. He added that investigations are going on to determine who is responsible. The interior minister stressed that the government will act with the greatest energy in this case.

Hundreds Demonstrate, Many Injured

PY250218 Paris AFP in Spanish 0206 GMT 25 Mar 83

[Excerpt] Santiago, 24 Mar (AFP) -- It was reported here that violent incidents took place tonight involving hundreds of opposition demonstrators and police in downtown Santiago. Many persons were injured and there are dozens of arrests.

Shouting "bread, justice, work and freedom" groups of persons stationed at various corners converged on Ahumada Boulevard where they were turned back by the police using tear gas and water cannons.

The demonstrators threw stones at the police, banks and stores, destroyed a telephone booth and started fires.

The Coordinating Board of Santiago Residents [Coordinadora de Pobladores de Santiago] issued a call urging the people to participate in the demonstration staged to protest "the hunger of the population, unemployment, bad living conditions, repression, and misuse of authority and for the right to live in the fatherland."

The police acted forcefully to repress what the demonstrators were calling the hunger march and several persons were injured with blunt instruments in the course of the clashes. These persons were taken to various hospitals for medical care.

The streets in downtown Santiago were jammed with heavy traffic while the metropolitan subway stopped operating for a few minutes.

AFP correspondents were able to ascertain that these were the most serious incidents since last December. A few hours before, two persons were injured when eight bombs exploded in various parts of Santiago and a large residential sector of the city was left without water.

GOVERNMENT AGENTS SEIZE OPPOSITION LEADERS

PY250138 Paris AFP in Spanish 2052 GMT 24 Mar 83

[Text] Santiago, 24 Mar (AFP) -- The Chilean Human Rights Commission has reported that six youth and opposition union leaders were detained today by government agents in Santiago and Valparaiso.

According to the report, the detentions took place at dawn when security agents arrived at the homes of representatives of the Commission for the Defense of Youth Rights [Comision de Defensa de los Derechos Juveniles -- Codeju], the Association of Banished Persons [Agrupacion de Relegados] and the National Union Coordinating Board.

The official sources did not cite the reasons for these detentions affecting the following leaders: Patricia Torres, Javier Saez, Javier Ruiz, Ramon Avello, Omar Rosales and Ivan Rojas Quinteros.

Communist Cell Captured

PY250140 Santiago Domestic Service in Spanish 2300 GMT 24 Mar 83

[Text] A clandestine cell of the outlawed Communist Party has been captured in Linares. It was formed by four persons who were also members of the so-called regional communist committee of that city. The report has been confirmed by the office of the Maule region intendant.

The following persons were detained for violating the state internal security law: (Hector Carlos Lupiz Mesai, alias (Ivan); (Juan Castillo Reyes), alias (Joel); (Palmeno Salgado Cisterna), alias (Salazar); and (Delia de las Mercedes Sepulveda Martinez), alias (Corina).

This clandestine communist cell was found to possess highly important documents with instructions received from abroad, as well as propaganda material.

Perez Esquivel Detention Denied

PY241603 Santiago Domestic Service in Spanish 2300 GMT 23 Mar 83

[Relayed report from Government House by Graciela Contreras]

[Text] In view of press reports on the alleged detention for 2 hours of Nobel Prize winner Adolfo Perez Esquivel at Pudahuel airport, the Government Social Communications Agency [Dinacos] released the following communique a short while ago.

Mr Adolfo Perez Esquivel arrived in Santiago at 1100 on 17 March 1983 aboard an Iberia plane, flight 987, from Buenos Aires, to make connections with another flight a few hours later on his way to La Paz, Bolivia. During his stay at the airport, as a passenger in transit, Perez Esquivel stayed at the international police office [words indistinct] procedures regarding transfer between planes, including the verification of his personal documents before he is allowed to board [words indistinct], the communique released a short while ago by Dinacos states.

The report adds that Perez Esquivel boarded Lloyd Bolivian Airline plane at 1335 and left La Paz, and that it is not true that Perez Esquivel was detained or repressed at the airport. On the contrary, he was helped to go through the normal procedures demanded from a passenger in transit, the communique concluded.

BRAZILIAN AIR FORCE GENERAL ARRIVES SANTIAGO

PY250136 Santiago Domestic Service in Spanish 2300 GMT 24 Mar 83

[Text] Brig Gen Joaquim Goncalves Neto, chief of staff of the Brazilian Air Force, arrived in Santiago today, invited by the Chilean Air Force. The Brazilian general, who will remain 6 days in Chile, was received on the apron of (Merino Benitez) international airport by Gen Carlos Desgroux, chief of staff of the Chilean Air Force, and Brazilian Ambassador Jorge Carlos Ribeiro.

General Goncalves will be received by Defense Minister Patricio Carvajal tomorrow morning. His official program includes a visit to Gen Fernando Matthei, Chilean Air Force commander.

CHILE TO PROVIDE TECHNICAL ADVICE TO PARAGUAY

PY240100 Asuncion ABC COLOR in Spanish 22 Mar 83 p 13

[Text] Santiago, (ANSA) -- The Chilean Air Force will provide full technical advice to Paraguay to help establish its Air Force academy for the education of high-ranking officers.

This report was revealed yesterday in Santiago on the occasion of the 53d anniversary of the Chilean Air Force.

It was said that this initiative will be firmed up with the arrival here of Col Jaime Abreu, current director of instruction of the Paraguayan Air Force.

Paraguayan officers have been taking special training courses at the Chilean War Academy, the first one being Naval Pilot Capt Raul Fernandez Coronel, current under secretary of the Paraguayan Navy.

The Chilean War Academy was created in 1937, and in addition to training high-ranking Chilean and Paraguayan officers, it has also received students from Brazil, Guatemala and South Africa.

GARCIA, ALBAN DISCUSS UNREST, STRIKE 24 MAR

PA241611 Quito Voz de los Andes in Spanish 1130 GMT 24 Mar 83

[Text] Government Minister Galo Garcia has said that the government has acted with the utmost prudence and the necessary moderation and that the public force has acted with professional responsibility. Evaluating yesterday's events, the minister said that if the government had not acted in such a manner, the events would have had another characteristic due to the unfortunate infiltrations that have taken place and that have taken advantage of the actions by the country's labor sectors.

He added that some excesses have affected social peace due to unacceptable violence. Such is the case in Loja, where a policeman was wounded. He noted that if the government had not taken its measures, the country would have suffered a serious economic collapse within a month. He said that the government must act with national and patriotic spirit, confront the national needs and offer replies and solutions to resolve this crisis, overcoming inactions and the strangling of the national economy.

Minister Garcia charged that reports indicate that explosives and firearms have been distributed by very small groups that have nothing to do with the labor sector. Therefore, he said, we are aware of infiltrations from outside the labor movement that seek to disrupt social peace and distort the various groups' demands.

Commenting on the possibility that the strike will become indefinite, Minister Galo Garcia said there is no reason to extend the United Workers Front's strike. Analyzing the first day of the strike, the government minister said that the prudent and moderate attitude of the government and police has prevented large outbreaks of violence that could affect social peace. In this regard, he praised the attitude of the news media, which for the most part have called for calm. Garcia also said that the presence of agitators who seek to disrupt social peace has been detected in the labor movement. In view of this, he said, the government has had to act with prudence in order to avoid further violence. He denied that the police have been too passive in the face of what he described as serious acts of vandalism. The police have adopted a defensive position, he said. Regarding rumors about the destabilization of democracy, the government minister said that the democratic system must be encouraged and strengthened at all times. The government is optimistic about the democratic system and it is doing everything necessary to ensure that it will not be disrupted, he added.

The government hopes that the situation will be definitely overcome since the country needs work and efforts, Public Information Secretary Ernesto Alban said on commenting on the first day of the national strike to protest President Oswaldo Hurtado Larrae's economic policy.

[Begin recording] [Alban] The country has experienced a day of paralysis, but I would also say it has been relatively calm. This calm has been broken by some sporadic outbreaks of violence which, as we said some time ago, are not caused by the labor sector but by individuals who have infiltrated the labor sector. Each day of strike means a huge loss not only economically but also socially, through the waste of energy and loss of institutional stability, which is as serious as the economic losses. Therefore, the government hopes that this kind of situation will be definitely resolved.

[Question indistinct]

[Answer] I know some policemen were injured in the city of Loja. I don't have reports from other places. Violence brings unfortunate results of injury to human beings and damage to property. These are unfortunate consequences. [words indistinct]

[Question indistinct]

[Answer] These individuals under arrest have to be tried in accordance with the law. If they are found guilty of harming property or persons they will receive the appropriate penalty.

[Question] Are there signs of terrorism in the country?

[Answer] As I said, there are some acts of violence that may have a terrorist character. These include the destruction of property and attacks on some commercial establishments. They seem to be very close to terrorism [words indistinct].

[Question] What does the government plan to do to try to obtain a return to calm?

[Answer] The government at all times wants calm to be the citizens' common denominator. It ordered the suspension of activities for these 2 days so that there will not be a climate that could be exploited for violence. The government has also instructed the police to maintain resolute prodence in controlling the situation, to intervene only if people or property are attacked and to exhibit absolute respect for human rights. Of course, sometimes the government can do nothing when positions become extreme, when demands cannot be met. How can the government respond to the demand for repeal of the measures that are difficult and hard but that are essential for the country's economic life? It is difficult for the government to understand that there is a strike by the business sector along with that of the labor sector. I think that neither the government nor the public can understand such positions. [end recording]

LATE REPORT: QUITO REPORTED CALM 24 MAR

PA251452 Quito Voz de los Andes in Spanish 1130 GMT 25 Mar 83

[Text] The labor strike and business lockout to reject the government's latest economic measures was apparently quiet on its second day. The government measures entailed a 27 percent devaluation of the sucre.

Quito was quiet late in the evening, but the atmosphere was tense because of the labor demands and the government's firm position. The police have not reported important incidents in the city, but he absence of public transport vehicles was widespread.

A few private buses were operating in the morning, especially in the northern and downtown areas. At that time not all businessees had locked their doors and several stores were open.

Street vendors took advantage of this second day by placing themselves near stores and satisfying the demands of neighbors.

The police faced no problems since there were no demonstrations. The people went peacefully about but not as much as the day before when the situation was tense.

The labor leadership took advantage of the morning to prepare the afternoon and evening mobilizations.

Negotiations between the labor sector and the government to overcome the problem were renewed at 1100 when a group of Ecuadorean Central of Classist Organizations leaders went to the Labor Ministry and spoke with Labor Minister Vladimiro Alvarez to request satisfaction of the workers' demands. The labor minister moved the meeting for the afternoon since, he said, he was going to meet with President Oswaldo Hurtado.

Meanwhile, the production sectors within the Chambers of Commerce and Industry have rejected the government measures, noting that they cannot resolve the country's critical economic situation.

Summarizing, the second day was full of uncertainty. The position of the workers who have threatened an indefinite strike remained unknown late in the day.

COLORADO DOCUMENT SCORES U.S. REPORT, POLICY

PY241937 Asuncion Domestic Service in Spanish 2330 GMT 23 Mar 83

[From the "Voz del Coloradismo" program; "University and People, the Colorado University Students Speak" feature]

[Text] The U.S. State Department report on the violation of human rights in Paraguay during 1982, which was submitted to the U.S. Congress and published a few days ago in the newspapers of our capital, has become the current topic of discussion. Unlike the opinion of known opposition leaders who, being representative of no one, take every opportunity to throw the poison they carry in their hearts, we the young Colorado university students are not going to analyze whether this report has any validity or not because if we did that we would be accepting the fact that the United States has jurisdiction in finding out and deciding on matters which are the exclusive responsibility of the Paraguayan people.

At one time Ezequiel Gonzalez Alsina, national senator and high ranking member of the Colorado Party, said: Resort to the law based on the law and with the law at hand. Therefore, with the law at hand we are going to prepare our allegation against the charges of the U.S. State Department which, assuming the role of prosecutor, seeks to put the Stroessner government on the dock so that the U.S. Congress, appointing itself as an international court of justice on morality, can hand down its sentence. And it is precisely the UN Charter that categorically states that none of its paragraphs will either authorize the United Nations to intervene in the domestic affairs of any nation or ask member countries to submit such matters to consideration by the organization, although this principle does not prevent the adoption of the measures emisioned by the seventh chapter, which refers to violations that pose a threat to peace.

In this regard, hundreds of scholars maintain that each nation bears the responsibility of protecting the human rights of its own citizens. This was also the conclusion arrived at in the 1975 Helsinki Final Act, whose seventh principle states: Signatory countries will preserve and respect human rights and freedom but will refrain from intervening in either the internal or external affairs of another signatory country.

It is good to remind those inquisitors that, in the opinion of the American Bar Association [given in English], many human rights that the United Nations and its agencies seek to preserve through agreements or conventions -- which are either ready for implementation or under preparation -- involve the relationship between citizens and their own government and that, therefore, such rights are essentially a matter of each nation's jurisdication and have no direct relationship with the U.S. foreign policy.

The Monroe Doctrine motto America for Americans, which has time and again been interpreted by the North Americans as America for North Americans, and the policy of red-faced Roosevelt [el colorado Roosevelt] who, in implementing the Monroe Doctrine, wanted the United States to become an international policeman in the Western Hemisphere are closed chapters in the history of our continent.

But as time goes on the United States increasingly seeks to become a moral leader of the world without taking into account, perhaps deliberately, that it should start improving moral standards at home. We believe that it should ~~start~~ improving moral standards at home. We believe that it should start improving moral standards at home because a country which lacks the necessary ability to safeguard the lives of its citizens who are still killed for racial reasons in the middle of the 20th century cannot speak authoritatively about the domestic affairs of other countries.

Latin America is no longer the backyard of the North Americans and Paraguay is not a banana republic but a lion which had been asleep for a while and which woke up vigorously under the government of a great, illustrious leader, Gen Alfredo Stroessner, to proclaim to the world that it is a free, independent country.

DELEGATION NAMED TO GROUP OF 77 MEETING

PY242133 Asuncion ABC COLOR in Spanish 24 Mar 83 p 16

[Excerpts] Foreign Minister Alberto Nogues will head the Paraguayan delegation that is to attend the fifth meeting of ministers of the Group of 77, which has on its agenda the study of the situation of the countries with a lower degree of development in view of the current world economic crisis. The government has named the delegation that will travel next week to Buenos Aires, where the meeting is to be held.

The participation of an official Paraguayan delegation was achieved when Argentine Foreign Minister Juan Ramon Aguirre Lanari officially invited his Paraguayan colleague.

The importance that the Paraguayan Government has given the meeting can be noted in the way delegation has been made up. The meeting will begin on 28 March in the Argentine capital and it will close on 9 April.

The executive branch decree, which was released yesterday, names the following persons, in addition to the foreign minister: Efrain Dario Centurion, the Foreign Ministry's under secretary for economic affairs; Luis Gonzalez Arias, Paraguay's permanent representative to the United Nations; Luis Ramon Ortiz Ramirez, the Industry and Commerce Ministry's under secretary for commerce; Felix Antonio Lopez, Paraguay's permanent representative to the Latin American Integration Association; Eladio Loizaga, the Foreign Ministry's director of the Organizations, Treaties and International Acts Department; and Waldimar Palacios, minister councillor at the embassy in Buenos Aires.

PLRA'S LAINO ONCE AGAIN TO ATTEMPT RETURN

PY251130 Asuncion ABC COLOR in Spanish 25 Mar 83 p 15

[Excerpt] Today Domingo Laino, vice president of the Authentic Radical Liberal Party (PLRA), will try to return to the country. He will leave Buenos Aires by plane accompanied by Miguel Abdon Saguier, secretary general of the PLRA. Laino was expelled from the country on 14 December 1982 because of his book "El General Commerciante" [The Merchant General] which deals with Gen Anastacio Somoza. The copies of the book were seized by the police.

Laino's attempt to return is based on press statements made by Interior Minister Sabino A. Montanaro who stated that those living in exile may return one by one so that their entry can be documented.

PAPER VIEWS REBEL INVASION OF NICARAGUA

FL242150 Mexico City Notimex in Spanish 1826 GMT 24 Mar 83

[Text] Mexico City, 24 Mar (NOTIMEX) -- The counterrevolutionary forces which have invaded Nicaragua will not be able to score a military defeat over the Sandinist Army and Militia. Their purpose is to internationalize the conflict, the capital's newspaper UNOMASUNO asserted in an article today. Journalist Jose Manuel Fortuny said in his article that the former Somozist guards' armed operations apparently have four objectives, the last of which would be direct intervention by U.S. troops.

The fate of the Central American peoples, he added, depends on the destiny of the Nicaraguan revolution. If defeated or crushed by an imperialist intervention, the path will be left open for decisive action against the Salvadoran and Guatemalan revolutionary movements.

Therefore, he reasoned, the prime objective of the tactics employed by the counter-revolutionaries would be to force the Sandinist government to continue diverting resources toward defense spending when they should be dedicated to reconstruction. The second objective, he added, would be to isolate the Salvadoran insurgent forces so that they would have in Nicaragua nothing more than a moral and political rearguard. In the third place, he said, they would be conducting a sort of dress rehearsal for what could be a subsequent offensive with more soldiers from several directions simulataneously, which would ultimately lead to a war with Honduras.

A confrontation between Nicaragua and this other nation would lead to a direct U.S. intervention, the journalist judged. If it is confirmed that the Roberto Suazo Cordova administration has mobilized several battalions in Choluteca department, which borders that of Nicaragua's Chinandega, and if counterrevolutionary raids are launched from Costa Rica -- as has been announced -- the hypothesis will be proven, he said.

Of great importance will be the action of the UN Security Council which, he said, should give a stern warning to the potential aggressor-states, including the United States, to abstain from taking any action against Nicaragua. After pointing to the urgent need to have friendly countries and sympathizers of the Sandinist revolution launch diplomatic activities along with the United Nations' action, the journalist said the Nicaraguan revolution will triumph but needs the solidarity of the United Nations and friendly governments in the region.

DE LA ESPRIELLA WARNS OF SOCIAL ORDER COLLAPSE

PA242115 Panama City MATUTINO in Spanish 22 Mar 83 pp 10-b, 6-B

[By Nelson Lee Caceres]

[Excerpt] A warning against the imminent collapse of the precarious social order, a proposal for an active common bloc of nations, inter-American unity to guarantee a promising future and a suggestion to the IDB to adopt emergency measures were the main topics discussed by President Ricardo de la Espriella upon inaugurating the 24th IDB governors' meeting yesterday.

Addressing over 2,500 delegates and guests associated with national and international banks, the Panamanian president said that "this meeting appears to be a suitable forum for establishing an active common bloc to point out and disclose the dangers of an imminent collapse of the precarious social order. This order has not received the proper attention from the more developed countries, which often seem to be involved in a chess tournament of the powerful nations, in which our peoples seem to be the pawns on the chessboard.

President de la Espriella added that banks must be more flexible and must adopt emergency measures to aid those countries affected by the current crisis.

He further said: We are sure that the banks can foster initiatives to strengthen the inter-American system. This meeting gives us the opportunity to work together in search of lasting solutions that can guarantee a promising future for our America.

The president stressed that it is meaningful that this meeting chose this city as its setting, particularly in the bicentennial year of liberator Simon Bolivar, who conceived Panama as a rapprochement point for the nations of the hemisphere.

UN ENVOY IMPLICATES U.S. IN NICARAGUAN ILLS

PA250041 Madrid EFE in Spanish 0005 GMT 25 Mar 83

[Text] United Nations, 24 Mar (EFE) -- Panama today accused the United States of financing and training counterrevolutionary units to overthrow the Nicaraguan Government. Panama based its accusation on information gathered from U.S. press dispatches.

Carlos Ozores, Panama's permanent representative to the United Nations, said at the UN Security Council meeting on Nicaragua that the CIA is participating in the destabilization plans.

Ozores said, "We are not dealing, as some people have tried to say, with a Nicaraguan domestic affair, but rather with a clear foreign intervention and meddling against Nicaragua." He recalled the UN declaration of October 1970, according to which countries must abstain from organizing or abetting the organization of irregular forces or armed bands, including mercenaries, to launch raids against the territories of other countries.

Ozores said: "Panama respects and upholds these principles and calls on all countries, both within and outside the area, to abstain from interfering or intervening in the domestic affairs of countries in the area." In conclusion, Ozores expressed hopes that commonsense will prevail and that the path of peaceful negotiations will be followed.

MATUTINO SUPPORTS PAREDES ON SCHOOL CLOSURE

PA250207 Panama City MATUTINO in Spanish 24 Mar 83 p 11-A

["The People's Compass" column by Adolfo Benedetti: "The School of the Americas"]

[Text] The Reagan administration's insistence on keeping the so-called School of the Americas open in Fort Gulick, on Panamanian territory, proves that it has refused to understand fully the implications of its decision to aid Great Britain both militarily and economically when that country invaded the Argentine territory of the Malvinas with its warships.

From that moment on, the Rio de Janeiro treaty, incorrectly known as a continental defense treaty, became null, since a hemispheric country, namely Argentina, was invaded by extracontinental forces, yet the United States chose to ignore the commitments established in that pact, supporting Mrs Thatcher's policy instead. From that moment on, the pact became a mere piece of paper.

The Latin American peoples have definitely buried the School of the Americas, which is the offspring of that deceased agreement. There is nothing for it to do with regard to the training of troops for the hemispheric defense because when the historic moment arrived for it to be tested, its postulates crumbled, mocking those who like to proclaim principles, democracy and hemispheric solidarity.

Moreover, it is a generally known fact that the School of the Americas has played a very important role in the current Central American conflict, serving as military training center for the area's dictatorships, in line with its traditional policy of being the "home" where most of the recent Latin American dictators have received their military training.

Gen Ruben D. Paredes' statement in Coclecito to the effect that the base in Fort Gulick will be returned to Panama and that the School of the Americas will disappear from there couldn't be more in keeping with the respect for and dignity of a Latin America whose dignity has been seriously wounded.

The agreements on the defense of the canal should go no further than their specific objectives. Panama must not let its territory become the favorite springboard for the training of men and the improvement of machines used for the purpose of extermination and death in our hemisphere. We are a peaceful country. If we open a school every month, it is so it can illuminate by spreading culture and knowledge. The schools of death must disappear.

COSTA RICA

COMMISSION APPROVES EXTRADITION TREATY WITH U.S.

PA241947 San Jose LA NACION in Spanish 17 Mar 83 p 2-A

[Excerpt] The Legislative Assembly's Government and Administration Commission yesterday approved the new extradition treaty between Costa Rica and the United States.

This document replaces the system that specifically listed the crimes for which extradition could be either requested or granted with a general formula that authorizes implementation in the case of any crime punishable by the laws of both countries with the sentences of over 1 year.

This formula eliminates one of the causes for much judicial controversy with regard to the current treaty, which dates back to 1922.

The new treaty was signed by President Luis Alberto Monge and U.S. President Ronald Reagan during the latter's visit to our country on 4 December.

EL SALVADOR

FINANCE MINISTER TENORIO SUBMITS RESIGNATION

PA250104 Paris AFP in Spanish 0023 GMT 25 Mar 83

[Excerpts] San Salvador, 24 Mar (AFP) -- It was officially reported here tonight that Salvadoran Finance Minister Jorge Eduardo Tenorio has presented his resignation to President Alvaro Magana. The resignation will become effective on 1 April.

Although Tenorio said that he was resigning for strictly personal reasons, "completely devoid of political considerations," it was said here today that there are "differences" between the minister and the chief of state, which according to observers might provoke a cabinet crisis.

PRESIDENT SUBMITS AMNESTY BILL TO ASSEMBLY

PA242331 San Salvador LA PRENSA GRAFICA in Spanish 24 Mar 83 pp 3, 32

[Text] An "amnesty and citizens rehabilitation bill" was submitted to the Constituent Assembly yesterday by Justice Minister Arturo Ramiro Azahar Mendez.

The principal purpose of the bill is to legalize the government's offer to provide guarantees for the rebels to change their attitude and rejoin the democratic process. The bill submitted yesterday afternoon complements the national unity government's peace program drafted by the Political Commission of the Apaneca pact.

President Alvaro Magana, exercising the powers conferred by the present Constitution and after consultation with the vice presidents of the republic, submitted the amnesty bill yesterday.

It was reported officially that after the Holy Week holidays, commissions will be appointed as specified in the bill, so that when the bill becomes law, they can begin their functions without delay.

An official communique released yesterday by the presidential press office said that in line with this specific and positive attitude it is expected that those who are now outside the law will reconsider and return to their normal activities to restore peace in the nation.

The amnesty bill is considered the first step to promote a decrease in the actions of the rebel groups and to make them turn to the ways of peace, if there is any immediate response to the appeal made by the national unity government.

The decree in question also provides for the appointment of an amnesty board in San Salvador composed of three members; one from the Peace Commission, one from the Human Rights Commission and one from the Interior Ministry. The member designated by the Peace Commission will be the board president, and the one designated by the Interior Ministry will be the board secretary.

Persons living abroad who wish to take advantage of the amnesty can do so personally or through another person before the amnesty board or its delegates, the bill states.

The committee to rehabilitate those accepting amnesty will have the principal function of returning their charges to normal life in the nation's society and trying especially to settle them on government property and provide them with an occupation or job. An effort will be made to reeducate minors.

All trials or proceedings covering the crimes described in Article 2 that are being processed through the courts, except those being processed by preliminary military courts, on the date the bill becomes law must be remanded to the preliminary military courts within 72 hours.

Article 12 states that no official or authority can oppose the fulfillment of this law or the decisions made by the amnesty board in the fulfillment of its functions. All persons wishing to take advantage of this law must do so within 60 days after its enactment.

The Constituent Assembly will appropriate a special budget within 15 days of the enactment of the law, and the amnesty board will be authorized to recieve donations of any kind from individuals or domestic or foreign organizations.

ARMY REPORTS HEAVY FIGHTING NEAR CACAHUATIQUE

PA241441 San Salvador EL MUNDO in Spanish 22 Mar 83 p 2

[Text] Reports from La Union this morning indicated that "there has been heavy fighting for the past 3 days near Cerro Cacahuatique in the jurisdiction of Sesori in northern San Miguel Department." They said that the army has apparently begun a large-scale offensive in that area bordering Honduras to dislodge a large number of guerrillas who constantly move towards Morazan.

The reports added that some residents near Cerro Cacahuatique "saw several parachutists drop down and they thought these were army airborne units that were attacking the guerrillas' rearguard positions, but in fact they were guerrilla reinforcements, possibly from Nicaragua." The government has yet to issue a communique on the presence of these parachutists.

The sources said that they "have learned that the army's offensive might spread to other towns near Sesori such as Nuevo Eden de San Juan, San Gerardo and San Luis de la Reina, where armed people are still seen moving around." They added that those towns are on the Honduran border.

Regarding the fighting taking place in Nicaragua, they indicated that "in La Union they can hear the government radio stations, which say the invaders have been defeated, but a clandestine station says that three garrisons are in the rebels' hands, that they are only 80 km from Managua and that their advance is sweeping due to the support of many youths who are joining the invading anti-Sandinist forces."

New Offensive in Chalatenango

PA241520 San Salvador EL DIARIO DE HOY in Spanish 23 Mar 83 p 2

[Text] Military sources have reported that 2,000 Armed Forces soldiers yesterday began a new counterinsurgency offensive in Chalatenango Department. Members of the Atlacatl and Belloso Battalions and the Sonsonate Garrison are participating in the offensive.

Although no information was obtained in the Defense Ministry, the sources added that the army controls the area and that the towns will be retaken at the opportune moment. According to unofficial reports, most of the towns are in the hands of extremists, especially the towns near the Honduran border such as El Poi and Citala.

It has been learned that in northern Morazan Department fighting continues between the army and extremist forces that had seized some towns that have already been recovered by the armed forces.

It has been reported that the army recently carried out a mopping-up operation in the area of Suchitoto, destroying some guerrilla camps.

Guerrilla Camps Dismantled

PA242158 San Salvador LA PRENSA GRAFICA in Spanish 24 Mar 83 p 35

[Text] Two terrorist camps were dismantled yesterday at the San Jacinto farm and in the village of El Limon, Estanzuelas and Nueva Granada jurisdiction, Usulutan Department, according to military authorities. No deaths were reported in the two actions, although the report stated that the terrorist groups carried off several of their wounded who could die later due to the seriousness of their condition.

According to the report, this double operation was carried out by civil defense personnel, who sustained no casualties in the actions. The military report said that large quantities of ammunition, uniforms, grenades, bombs and propaganda were seized in the camps.

SOLIDARITY FRONT ISSUES 'DECLARATION OF MEXICO'

FL232220 Mexico City NOTIMEX in Spanish 2029 GMT 23 Mar 83

[Text] Mexico City, 23 Mar (NOTIMEX) -- The constant counterrevolutionary invasions of Nicaragua are an attempt to gain time to try to defeat the insurgent forces in El Salvador, the World Front of Solidarity With the Salvadoran People has asserted.

In a document entitled: Declaration of Mexico, the front explained that with that objective they try to train elite military forces, create new centers of tensions in Central America and distract international public opinion.

The paper condemned the certification of improvement in the human rights situation in El Salvador and Ronald Reagan administration's attempt to grant an additional $110 million aid package to the Alvaro Magana regime.

The document denied that the struggle waged by the FMLN and FDR was the result of the East-West confrontation and declared itself in favor of dialogue and a political settlement of the conflict.

The front asserted that the plan to hold elections next December, in the middle of a war and the brutal repression, does not guarantee Salvadorans their basic rights of democratic expression.

The front said the constant certifications of a marked improvement of human rights in El Salvador on the part of President Ronald Reagan are nothing more than a distortion of the facts and a mockery of U.S. legal requirements in order to give massive military assistance to the Salvadoran regime.

The recent murder of Marianella Garcia Villas, president of the Salvadoran Human Rights Commission, proves this, the paper stressed.

The front added that to insist that the Salvadoran conflict is based on the East-West confrontation is tantamount to misunderstanding history and the extreme inequality of social conditions prevailing in Central America today. Because of this, the front concluded, the struggle for peace and disarmament cannot but include solidarity with the struggle of the Salvadoran people and, in general, of all Central American peoples.

Havana Cites Solidarity Front

PA242105 Havana International Service in Spanish 1800 GMT 24 Mar 83

[Text] The World Front of Solidarity with El Salvador has said in Mexico City that the minimum conditions of freedom do not exist to hold true elections in El Salvador, and critized the U.S. Government and the Salvadoran regime for blocking any peaceful and negotiated solution to the conflict. The front recalled that some 600,000 Salvadoran citizens have had to leave their country in the last 36 months to escape the institutionalized terror and violence. It said that more than 40,00 persons were murdered by the repressive Salvadoran regime from October 1979 to December 1982.

HAVANA CITES RADIO VENCEREMOS ON FMLN ACTIONS

PA240116 Havana International Service in Spanish 1800 GMT 22 Mar 83

[Text] Radio Venceremos, the Salvadoran patriots' station, has charged that Super Mystere planes of the Honduran Air Force have entered Morazan Department, where Alvaro Magana's government troops are conducting a vast operation aimed at driving the insurgents from their consolidated positions.

Some 3,500 soldiers of the Ramon Belloso, Jaguar and Atlacatl special Battalions, as well as a paratrooper unit, are participating in this counterinsurgency operation, the third one that the regime has launched so far this year against guerrilla positions in Morazan. They are supported by armored vehicles and heavy artillery. There are also reports of heavy fighting in Chalatenango, where rebels dynamited the (Totolco) bridge, a very short distance from the department capital.

According to Radio Venceremos, government troops suffered many dead and wounded in clashes in Cerro Cacahuatique, near San Francisco Gotera, capital of Morazan Department.

In the eastern Salvadoran departmentof Usulutan, guerrillas regained control of a stretch of the coastal highway from San Agustin to San Francisco Javier, and began to collect war taxes from vehicles using this route.

HAVANA ON ARMY MOBILIZATION, REBEL ACTIONS

PA240157 Havana International Service in Spanish 1600 GMT 23 Mar 83

[Text] The Salvadoran regime has mobilized 600 soldiers to Chalatenango Department, in the north, to reinforce the military detachments there, which are constantly harassed by the guerrilla forces.

The Salvadoran news agency SALPRESS has reported that the tyranny's troops and several pieces of heavy artillery were being mobilized toward Chalatenango along the main northern road in some 25 military vehicles. The FMLN controls two-thirds of Chalatenango Department, which extends over an area of more than 2,000 square km.

According to SALPRESS, rebel commands have also raided Tenancingo, 38 km from San Salvador, in Cuscatlan Department.

Other rebel detachments occupied the (San Nicolas) housing area, which is part of the (Apopa) neighborhood, located 2 km from San Salvador. According to Radio Farabundo Marti, the rebels distributed propaganda and held a meeting with the local people. The area is located a scant 300 meters from the military post that guards the bridge over the (Aselhuate) River on the main northern road.

VENCEREMOS OFFICIAL DESCRIBES BROADCAST SYSTEM

PA242353 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 24 Mar 83

[Excerpts] The military high command, through Coprefa [Armed Forces Press Committee], has been spreading false information about the FMLN information and propaganda media. The following is a full report on the extent and effectiveness of our propaganda media by Commander Mercedes del Carmen Letona, Commander Luisa, the officer in charge of Radio Venceremos:

[Begin Letona recording] Radio Venceremos, the strongest information, penetration and guidance instrument of our people, as well as our most effective international information medium, which is highly feared by our enemies, has a main transmitting center, a shortwave repeater station and a repeater link on Guazapa hill; program production and transmitting teams; a maintenance team; a complete file of all our programs since our first transmission on (?10) January 1981; and its own security team, provided by the heroic (Rafael Antonio Arce Vargas) Brigade in Morazan. In Guazapa, Radio Venceremos has an FM transmitting station, with one team in charge of transmissions, another for maintenance, and its own security. Radio Venceremos also has a nationwide supporting communications network that supplies information on the advance of our forces on all the warfronts of the country.

The following conclusions can be reached from the above information: The intelligence information released in the Coprefa communiques revealing a few names of companeros, some of them internationalists, and some Salvadorans, natives of Morazan, aside from being harmless to our forces, is ridiculous and shows the inefficiency of the Army's military intelligence.

Our information and propaganda structures are operated by hundreds of our campaneros. We could read the entire list of their names, but we prefer not to do so in order not to extend the program, because our people are not interested in names, but in the effects that our instruments have on the enemy.

With the Radio Venceremos system we have become a true power, because we fight with the truth as our main weapon, which is telling our people that we are winning the war, that the dictatorship is being defeated. Such facts transmitted through Radio Venceremos broadcasts, films, videotapes, photos, magazines, newspapers and posters have today become a mighty instrument of organization, mobilization and growth of the people's organized forces; and in the future, Radio Venceremos will become the historical testimonial of our struggle, our victory and the defeat of the dictatorship, with which we will educate our future generations of free Salvadorans. Revolution or death, we will win! From the free territory of Morazan, 18 February 1983 [end recording]

RADIO GUAZAPA CRITICIZES PROPOSED U.S. AID

PA231455 (Clandestine) Radio Guazapa in Spanish to El Salvador 0130 GMT 22 Mar 83

[Text] The intervention of U.S. imperialism in El Salvador has been increasing as the Salvadoran Armed Forces are losing the war against the FMLN. The U.S. Government has asked Congress for $110 million in aid for the puppet government of Alvaro Magana. Thomas Enders, assistant secretary of state of inter-American affairs, promised the Western Hemisphere Affairs Subcommittee of the Senate Foreign Relations Committee that the request for supplemental military and economic aid for fiscal year 1984 would be distributed in the Central American region, in view of the presence of communism in the Salvadoran struggle. The government of President Reagan gave the Magana government $50 million, requested as supplemental aid for 1983, and reprogrammed $60 million in credits for military sales abroad.

What does this massive aid to the Salvadoran regime mean? It is evident to our people that this amount of dollars in "aid" hides the continuation of genocide, whitewashed with electoral plans for the end of the year. Those plans are nothing but the continuation of the electoral farce condemned by the Salvadoran people.

The multimillion-dollar aid seeks to obtain a military victory over the FMLN forces, as Pentagon chief Caspar Weinberger has announced. The strategy behind the military policy seeks the achievement of the following points: 1) Promotion and protection of "democracy." This includes the announced elections at the end of the year; 2) Economic and military aid, with special emphasis on counterinsurgency training; 3) Initiate the Caribbean plan proposed by the Reagan administration; 4) Civic-military projects, including a program of civil works and rural development similar to the one carried out in Vietnam. They will begin to be implemented in July.

U.S. imperialism has announced that the first phase will consist of a military offensive and consolidation of paramilitary posts beginning in Usulutan and San Vicente. The second phase consists of a development program that would be implemented by the Agency for International Development, AID. The third phase is the forming of small armed forces detachments in each rural town, supposedly wherever the revolutionary forces have been dislodged.

With this plan the CIA and Pentagon hawks are trying to carry out an extermination war to separate the FMLN from the people. The military solution is genocide. Reagan wants the war to continue. The FMLN proposes the achievement of peace through dialogue. The continuation of the war will not lead to a victorious solution for a national army that is completely demoralized, much less for a corrupt regime like the current one.

We express our public recognition of the solidarity of the U.S. people, who in their struggle defy the Reagan administration's strategy of terror. We also express our recognition to U.S. Democratic congressmen who oppose the arms buildup policy of the U.S. Government, particularly in the case of El Salvador, and who support the solution of a negotiated peace, since the armed forces have strategically lost the war against the FMLN.

In his homily, Pope John Paul II clearly pointed out a peaceful solution for El Salvador. Support for dialogue on a political solution to our country's conflict was expressed by the Venezuelan and Mexican Governments in the meeting they held in Panama in January. The Nonaligned Movement recognized the FMLN as an important political force in El Salvador. Many democratic governments support those solutions and proposals.

Our people cannot permit imperialism to continue to keep us on the razor's edge with its [word indistinct] plans. Let us all unite our efforts and raise the flag of the FMLN's peace proposal.

GUATEMALA

PRESIDENT RIOS MONTT HOLDS NEWS CONFERENCE

PA241221 Guatemala City Domestic Service in Spanish 1615 GMT 23 Mar 83

[News conference granted by Guatemalan President Gen Efrain Rios Montt at the Presidential Palace in Guatemala City -- live]

[Text] [Rios Montt] It is a pleasant honor and a very special pleasure to greet the distinguished representatives of the press, and I want to take advantage of the media that you represent to have the honor to speak for the Guatemalan Government to the people whom you serve.

I have the satisfaciton and pride to announce to you that we are celebrating 1 year in government. However, it is a year of government that has been different from the other 490 years that we have been ruled. It has been different because in one way or another we have not only been interpreting the just interests of the Guatemalan people, but we have adjusted to a social reality and, fundamentally, to an economic reality.

The problem that has most affected the nation, we could say, if it has affected it, is the political concept. However, and unfortunately, we have had political education in the universities but not at the popular level. Perhaps there has been a cultural transplant; as you know, efforts are still being made to prevent rejection of a transplant by the body. We have had [words indistinct] very serious problems, especially with the political (?concept). Nevertheless, we believe that we have had a year of good government.

We have had a year of good government because we have had to confront the press directly. We have spoken directly with them, without any...[changes thought] we have worked more than 10 hours a day. We are satisfied and very tired, and we will continue in this fashion because the 23 March 1982 movement has placed in our hands a great responsibility. We want to make an institutional change, and to accomplish this institutional change we today issued three political laws.

Three laws. One is the political parties organization law, another designates the supreme electoral [tribunal] and the third is the citizens registry law. These three laws are the three fundamental pillars on which planning will be based. These laws have to be complied with by all citizens who want to participate in politics.

These laws are vital and important. We are not going to claim that they are a Guatemalan invention, an invention of young Guatemalan lawyers and politicians; no. However, they are the result of a year of study to reach practical conclusions. Therefore, on this we want to anticipate that this is [words indistinct]. We have this law, these laws, and we have the intention of obtaining popular participation, but of a true political nature, not political manipulation. We want the Guatemalan people to be sufficiently conscientious to do justice to the homeland because the defense of the homeland is not and does not belong to one institution, but to all the people. The only way to defend this country is by participating and [words indistinct].

These three laws are not written for the army or for any of the entities that [?are determined to be part of) the government; no. They are the fundamental principles that the Guatemalan people will have to fulfill in order to participate in the construction of our Guatemala, which means responsibility, the exercise and fulfillment of duty in order to demand rights afterward.

Gentlemen, it is too complicated to understand the smallest details of the laws. We are going to distribute them to each one of you to study them so you can become aware of the truth and specifics of the opening and, above all, of the opportunity that every Guatemalan citizen has to participate in politics -- all Guatemalan citizens. Here we have no rightist Guatemalan or leftist Guatemalan. Here we simply have Guatemalans. In other places they may have a right and a left. Here, so far, we are going to begin a political game that will be uniquely Guatemalan. We are legislating for Guatemala. We are a people of very special and very unique historical traditions, culture and social conditions.

The laws of Germany are very good for Germany. The laws of the United States are very good for the United States. The laws of France are very good for France. Spanish laws are very good for Spain. For Guatemala we have to make Guatemalan laws. Thank you, I am at your service.

[Question] [Words indistinct] Mr President [words indistinct] political (?activity) that opens the return to constitutional government in Guatemala. There is a question on what is going to happen in the future, especially what is going to happen with the political parties; on when the constituent assembly will be convoked; and on when we will be returning to a state of law. [words indistinct]

[Answer] According to the government statutes, the political parties are suspended. For the political parties to have the legal capacity to participate in the nation's political life, they have to fulfill the requirements established in Article 112 of the appropriate law, I believe. This is a very clear and determining point. At this moment the political parties are suspended. In order to establish political parties, they will have to comply with the existing law. That is one point.

Point two, about the state of law. The state of law is the exercise of a law, the exercise of legitimacy, the exercise of conscientiousness and popular participation in the government. As soon as the specific and clear conditions exist, when the requirements of laws are being fulfilled, we will be prepared. The political parties will establish the guidelines to define their positions and to be ready to participate in the convocation of the constituent assembly. At this moment we cannot say when the constituent assembly elections will be held. This is something that we are going to discuss with the committees for the formation of political parties.

[Question] I would like to know why [words indistinct]

[Answer] It is not a holiday, gentlemen. We are simply participating in a protocol ceremony.

[Question indistinct]

[Answer] It is the day of national dignity.

[Question] Were they not invited?

[Answer] There are no guests here. Those who are present are off duty.

[Question] [Words indistinct] sympathy for your administration, for your government in the Reagan administration, and [word indistinct] that the U.S. President has recognized that the situation in Guatemala is changing, that human rights are improving in this country? Guatemala has not been mentioned in the special aid programs lately in the United States. Why, Mr President?

[Answer] I will have to ask the Reagan administration. We do not know why.

[Question indistinct]

[Answer] We have requested a type of aid, but not a giveaway. It is a type of assistance. However, from the economic and financial viewpoint, we are fulfilling the requirements established by the banks. This takes time. For example, today we signed for a loan that was granted last year. [Words indistinct] I believe we received $48 million in two separate loans. However, we are fulfilling the requirements. Now, [words indistinct] the concepts and peculiarities, especially the bases for not making them, is a decision of the Reagan administration.

[Question] This change in Guatemala that begins today with this democratic opening -- will there be more inclination and more sympathy on the part of the U.S. Congress to extend aid to Guatemala?

[Answer] I believe that with this change that we are opening now we will have greater domestic consolidation. What I am most interested in is to consolidate the Guatemalan people, that the Guatemalan people have a new and different outlook. We are accustomed to being helped a lot. However, we must construct Guatemala. I believe that what should interest us most in this respect is that Guatemala consolidate itself. Afterward, with beans, corn, coffee and (?Chile) we can pass some of our time [sentence as heard].

[Question] Is Guatemala interested in U.S. military aid?
[Answer] Well, we requested equipment for an engineering battalion. An engineering battalion is equipped with [word indistinct] and tractors to construct highways from a military viewpoint. We also requested some rifles that are obsolete. We may not get these because they have probably been melted down.

[Question] Mr President, I am from THE NEW YORK TIMES. What is your opinion of Guatemala's image abroad at this time?

[Answer] I would like to be a foreigner. I would like to be one because there are very unique opinions and cultures and different viewpoints. For example, Sweden sees us one way, Italy in another. Spain looks at us from another angle, the United States in another way. I believe that what we want is to be ourselves. How we are looked at is a matter of opinions and colors [word indistinct].

[Question] Has this image improved after 1 year of your government?

[Answer] We have been attacked less.

[Question] [Words indistinct] One point that has been raised by the U.S. Government concerns the death of Patricio Ortiz Maldonado, an employee of AID. What is your government doing to clear up this incident, and what is your opinion of what happened (?on that date)?

[Answer] Yes, a legal process is underway in the corresponding zone, Huehuetenango, on that incident. This is a matter of a legal process, and if any criminal responisiblity is established, the law will be fulfilled.

[Question] [Words indistinct] opinion that there is no justification for their existence. What is your opinion.

[Answer] I respect the opinion of the legal congress.

[Question] I am [words indistinct]. In international and domestic circles, there has been opposition to the death sentence you have been applying. After today, 23 March, when a political opening is being initiated, will the death sentence continue to be applied, and will the special courts continue to operate?

[Answer] Yes. The death sentence is an established punishment. It is not my doing or a political (?matter). It is the law.

[Question] [Words indistinct] That the Council of State would become a body with legislative functions. The question is, Mr President, whether you are going to transfer [words indistinct] to the Council of State to legislate or whether it will become a shared function. In the second place [words indistinct] the state of siege that existed for almost 9 months in Guatemala. The question is whether (?the special courts) [words indistinct] categories or qualities as citizens.

[Answer] The Council of State will retain its assigned functions. The Council of State is more or less an executive branch ministry specialized in the preparations of bills. Approximately 6 months ago we asked it to legislate on the political opening and now we are going to insist on the social concept [words indistinct]. They are going to help us, for example, on the workers' social gains. We have to back them and legislate on this. I believe we are in a position to be able to smash a whole structure of (?injustice) that has been established. The Council of State is very interested in submitting this bill. It is not a congress or legislative body, but simply an executive branch ministry specialized, because it has many opinions, in (?collecting) opinions to make recommendations to the executive branch.

The special courts will continue. They were established to prevent people from being killed in the streets, to prevent chance attacks against those who were taking prisoners to jail. Now we are applying the law, clearly and specifically. The concept is being greatly manipulted because confusion exists on the special courts for lack of knowledge and information, because we have not known how to explain them well. These courts require that prisoners be defended; there is the right of appeal. Therefore, the Guatemalans do not enter them like slaves. That time is behind us.

However, we require justice, which is manifested in the law. The law must be strong. It so happens that you must not forget that previously the judges could not sentence anyone to death because they themselves were then killed, and their families were killed. I want us all to understand that we are entering a process of democratization. However, this implies that it can gain strength only as the people gain conscientiousness. That is why we have these courts, so that they will be aware of the difference between a strong branch and of a branch that has not functioned democratically because it lacks the consistency of popular participation. Therefore, I believe that they are beneficial and at this time, as I said to the previous journalists, I share the opinion of the legal congress. However, from that to making a recommendaton, we will have to make a lot of studies.

[Question] [Words indistinct] from what you have just explained, it would seem that the special courts will have to exist indefinitely in Guatemala because when we return to a state in which a president is elected by the people, the present judges will not be able to judge criminals for fear of reprisals. [Words indistinct] to try cases like those now being tried?

[Answer] Not necessarily. It is a matter of juridical actualization. There will be times when congress will say no and there will be times when the president will say no, let us [words indistinct]. What we really want is to find ways to administer justice, to see that justice is done promptly, because if we continue creating heroes and martyrs as we are doing now we will actually break up the Executive Council.

[Question] Mr President, you said that first one must repair the house and then the roof. What is your idea of foreign policy? When the 23 February coup took place, the Guatemalan people were promised that the country would recover from its deteriorated international image, but after the executions, Guatemala's image has again sunk deep. How will this affect Guatemalans?

[Answer] First of all, it was not 23 February, but 23 March. Second, concerning the international image, I am not qualified to insist upon support before international congresses or organizations. Third, the problem lies in the fact that our image abroad should correspond to our domestic image. Several organizations have taken it upon themselves to manipulate that situation and there are even some media that have joined them in their efforts. Such an international image, however, affects them the most. We simply have been a colony and as such we are the fruits of the seed planted by those who question us today. If we are the wrong fruit, it is because they planted the wrong seed.

[Question] Why imitate the bad things of other countries just because we have been a colony?

[Answer] [Words indistinct] Very interesting. We are being ourselves. We are not imitating the freedom existing in England or in Spain. We are making our freedom in our own fashion [word indistinct]

[Question] It was said before that (Maldonado) is training guerrillas in the mountains. If that is true, why is an officer being tried now?

[Answer] Because he should have brought him to be executed.

[Question] According to the nation's [words indistinct] functions, what is the difference between the suvbersive groups and the Guatemalan group that held power until 23 March?

[Answer] There is no difference as we are all subversives here in Guatemala, even the press. [sentence as heard]

[Question] In your opinion, what are the most important achievements of your government after a year in power?

[Answer] The fact that we are here today talking frankly and directly.

[Question] Mister President, on the current Honduran-Nicaraguan conflict and its possible developments, do you think or are there plans for Guatemala to participate in efforts to achieve the area's pacification? Is there consensus among the Central American countries to pacify the area, which threatens to become a generalized explosive spot?

[Answer] On one occasion I told a reporter I would like to mediate in the conflict because bullets actually do not settle anything; on the contrary, they worsen things and the more dead the higher the social cost. We actually could not do much anyway, because we do not have any type of effective weapons to help either country; we do not want to take sides because we wish to maintain the concept of friendship that entails not compromising a friend. We are friends; more than friends, we are brothers. Therefore, I am greatly concerned over the deterioration of their relations. As a state, however, we will do everything possible to avoid a confrontation between them.

[Question] Do you consider a Honduran-Nicaraguan confrontation imminent?

[Answer] Not if they can establish a dialogue.

[Question] [Words indistinct] 23 March, when you admit that the government has incurred in some abuse of power, do you refer to your government, and if so, could you explain what type of abuse?

[Answer] That is a most important issue. We are abusing power. For instance, we have the special courts and that constitutes abuse of power, right? To be president is an abuse of power on my part because I actually did not ask you consent to be holding the post. Thus, everything implies abuse of power.

The most important thing, however, is that we admit that we are not a government to suit the interests of each and every Guatemalan, which also constitutes an abuse of power. It is to our favor, nevertheless, to admit that we are not the best there is. [sentence as heard]

[Question] [Words indistinct] coup d'etat in the country. Who were involved in that action and how stable is the country now?

[Answer] Well, in a de facto government such as mine, the coup d'etat is a manifestation of opposition to the government, but that is an old Guatemalan practice. I think, however, that there are currently no conditions to justify a coup d'etat because there is a single criterion, or at least, there is a principle of authority. I am the most senior general in the Guatemalan Armed Forces and I command it. I believe the officers would not attempt any such venture because I would have them executed [words indistinct] martial court. The politicians also know that we have the special courts to deal with subversion. In other words, we have the legal instruments to handle such situations.

Now, as far as passions go, that is something I cannot control. There may be those who want to get rid of me. If they really want to do so [words indistinct] because national and international conditions are not to be trifled with [words indistinct].

HONDURAS

ARMY DENIES NICARAGUAN CHARGES ON MOBILIZATION

PA250136 San Pedro Sula TIEMPO in Spanish 24 Mar 83 p 4

[Text] Movement of Troops Is Due to Routine Changes

[Any movement of Honduran troops toward border posts is due to routine changes taking place between our different battalions, or with the intention of protecting our nation national territory," said the Honduran Armed Forces public relations office yesterday.

The armed forces made this clarification in relation to a statement by Nicaraguan Defense Minister Commander Humberto Ortega, who said: "I have learned that our neighbor (Honduras) is mobilizing battalions toward Choluteca."

The Honduran Armed Forces public relations office said regarding news dispatches from Nicaragua reporting Ortega's statements that they "are groundless because the mobilization of Honduran troops is not only taking place toward the posts on the Nicaraguan border, but also along our borders with the other neighboring countries. We must remain vigilant and protect our country's territory, in compliance with our Constitution."

General Staff Has Not Met With Eden Pastora

The Armed Forces public relations office added: "The Sandinist commanders' nervousness makes them say things that are far from the truth; Eden Pastora, Commander Cero, has not met with the Honduran Armed Forces General Staff."

Thus the public relations office denied the statement by Commander Lenin Cerna, chief of Nicaraguan state security, who said: "Pastora (Commander Cero) met with the Honduran Armed Forces General Staff," the report issued by ACÁN-EFE, an international news agency. The spokesman of the Honduran Armed Forces added: "It is impossible for a foreigner to meet with the Honduran Armed Forces General Staff, because he cannot meddle in Honduran security affairs."

PAZ BARNICA STATEMENT ON PEACE PROPOSAL

PA232304 Tegucigalpa Domestic Service in Spanish 1130 GMT 23 Mar 83

[Statement by Foreign Minister Dr Edgardo Paz Barnica on the first anniversary of the submission of the Honduran peace proposal for Central America; date and place of statement not specified -- read by announcer]

[Excerpts] Today, 23 March, marks the first anniversary of the submission to the OAS Permament Council in Washington of the Honduran Government peace proposal for Central America.

One year has passed, and the Honduran initiative intended to internationalize peace in Central America has so far received no valid objection to its strictly national origin, its good faith and its purpose of achieving a stable, lasting peace in this area of the continent, which is possible only within a global and regional context.

The Honduran Government regards its foreign policy, particularly that concerning the area -- together with the consolidation of the internal democratic process born of the people's will and fully guaranteed -- as a political priority in the democratic ruling of the desitiny of Honduras.

In various international debates and forums, the Honduran peace proposal, far from being questioned, has been objectively analyzed and recognized for its essential characteristics of having emerged from the Central American area, and for its consideration of a regional solution that fully takes into account the different aspects weighing on the Central American problems.

The points of the proposal are today more than ever of special significance, such as the general disarmament of the area to the levels required only for the defense of national sovereignty and for maintaining public order; a reduction of foreign advisers, military as well as any other kind; international supervision and vigilance to verify compliance with the commitments, including borders, ports, airports and strategic sectors; the suspension of arms traffic in the area; absolute respect for the established borders and the traditional jurisdictional lines; and the realization of a permament multilateral dialogue that will permit understandings for the establishment of democratic and pluralistic governments that respect human rights, public freedoms and the people's will as expressed by the vote.

In the international aspect, concerning the peace proposal, the government has made every effort to draft a foreign policy conforming to the hopes and the will of the Honduran people, that is, responding to the democratic reality prevailing in the country so that good intentions and declarations of principle will be faithfully reflected in pragmatic action by the government in the international sphere.

It is not easy to establish in such a short time a foreign policy responsive to the dynamics of modern international relations. Principles such as nonintervention, respect for the self-determination of the peoples, respect for human rights, respect for territorial integrity, and respect for pluralist democracy, among others, require deep conviction and a continued effort so these principles may always guide the state to aspire to institutional dignity, political independence and national sovereignty.

At present, the Central American situation appears to be worsening, due mainly to the increased international conflicts affecting some nations of the area, which must be settled exclusively by those nations within their own geographic boundaries.

Today the government of President Suazo Cordova is working hard on the planned meeting of Central American foreign ministers, without any type of restrictions, and with the attendance of other Latin American nations ruled democratically. This meeting must be carefully prepared because of its significance, and must serve as a guide for regional conciliation. It must achieve the objectives of peace, security and respect for human dignity, as well as the urgently needed rapprochement, with peaceful solutions and mutual respect.

In this regard, the government of President Suazo Cordova has been developing a prudent, sensible and dynamic foreign policy, founded on four basic principles: peace, democracy, security and cooperation for development. This policy has received the support of the majority of the Hondurans, and has permitted us to put forward the peace initiative before the others involved in the regional drama, and to establish the essential points that must be negotiated and discussed. In this specific aspect, the Honduran democratic Government has at all times shown its willingness for dialogue in the search for permanent solutions.

It is necessary that we make every effort to put an end to violence; to try to solve the internal conflicts that are hurting our sister countries; to have stability and security in the region; to implement economic and social reforms and see that they are carried out to end or least diminish the peoples' hardships; to promote international cooperation free of conditions that could interfere with our objectives.

In view of all this, we must stress the fact that Honduras is part of the complex situation in Central America, but we do not pretend to be the arbiters of decisions in the region. However, we do insist on our unrenounceable right to contribute to peace.

For this to be possible, we must have the full support of all the other governments. Peace, freedom and justice are values that originate in man's conscience, and these values no longer belong to each individual state, but have become the duty of the international community.

Peace is a prerequisite for sustained progress. On the other hand, local and international wars are a total denial of the people's struggle for a better life, of individual and collective harmony, and of the values inherent to man's dignity.

Only through dialogue and understanding can we achieve peace, not through force and violence.

PAZ BARNICA REPLIES TO NICARAGUAN PROTEST NOTE

PA241407 Tegucigalpa Domestic Service in Spanish 1130 GMT 24 Mar 83

[Official letter No 206 sent by Honduran Foreign Secretary Edgardo Paz Barnica to Nicaraguan acting Foreign Minister Nora Astorga on 23 March 1983 from Tegucigalpa -- read by announcer]

[Text] Mrs Minister, I have the honor to address you to acknowledge your letter of yesterday in which you strongly protest an attack allegedly carried out by Honduran Army soldiers against the Nicaraguan observation post in Vado Ancho, 2 km southwest of Santo Tomas del Nance, Chinandega Department.

You also protest a deployment allegedly carried out by Honduran Army forces in the Palo Verde sector, Choluteca Department, in Honduran territory.

Your Excellency repeats already wornout and baseless charges that the Nicaraguan counterrevolutionary forces struggling in Nicaragua against the Nicaraguan Government operate in and from Honduras.

Your Excellency concludes by again appealing to prudence and moderation from the Honduran Government and by demanding a halt to all acts of aggression and intervention against your country.

After investigating the charges made against the national army, the government must firmly reject Your Excellency's protest since it has no basis and contains ideas that do not correspond to the true situation.

The Honduran Government has never attacked the Vado Ancho post or any other post in Nicaraguan territory. On the contrary, Honduran towns in the border regions have disquietly often been the victims of attacks from Sandinist forces, just as this foreign Affairs Secretariat has expressed in corresponding protests.

The deployment of Honduran forces that allegedly occurred along a border region has not taken place. Allow me, Your Excellency, to state that had it taken place, it would not be strange and should not be a surprise considering the statements made recently by Commander Humberto Ortega Saavedra that he believes that a war with Honduras is imminent.

The Honduran Armed Forces, then, would only be complying with a fundamental duty imposed by the Consitution. This duty is to repel any foreign aggression and to stand guard over the republic's sovereignty.

I believe, Your Excellency, that this type of threat from top Nicaraguan authorities should be put within the framework of prudence and moderation, if it is true that the Nicaraguan Government wants the return of calm to Central America and to normalize the tense relations that exist between our two states.

Regarding this, I must remind Your Excellency that exactly 1 year ago my government presented to the Permanent Council of the OAS an initiative to internationalize peace in Central America and that its contents and significance were explained, from the very beginning, to the Nicaraguan Government. Although the plan was supported by most of the American and Western European nations, it has unfortunately not been approved by Nicaragua.

In spite of this, the Honduran Government continues now, as it did then, decidedly searching for peace for our suffering and bleeding Central America, a peace based on justice, the strengthening of the democratic system and respect and dignity for the people.

I take advantage of this opportunity to reiterate to Your Excellency my highest and distinguished consideration. [Signed] Edgardo Paz Barnica, foreign affairs secretary of Honduras.

PAZ BARNICA SENDS MESSAGE TO OAS COUNCIL

PA241920 Tegucigalpa Cadena Audio Video in Spanish 1544 GMT 24 Mar 83

[Letter from Honduran Foreign Secretary Edgardo Paz Barnica to (Raul Quijano), president of the OAS Permanent Council, dated 23 March 1983 in Tegucigalpa; read by (Ricardo Alonso Flores), director of information and the press of the Honduran Foreign Ministry -- recorded]

[Text] Your Excellency Dr (Raul Quijano), president of the OAS Permanent Council and ambassador of the Republic of Argentina:

Mr President, it is my honor to address Your Excellency to express, in the name of the Honduran people and government, their serious concern over the recent public statements made by Nicaraguan Defense Minister Commander Humberto Ortega Saavedra, who threatened that his country would unleash a war against Honduras and emphasized that Nicaragua's troops, planes, tanks, artillery and entire defense weaponry are ready to be used in an act of aggression.

The Nicaraguan Government has been accusing Honduras of allowing its territory to be used by armed groups that oppose the Managua regime. A vast propaganda campaign was initiated last year in this regard, to cover up the Nicaraguan Government's political radicalization, which has led that government to fail to keep promises made to the OAS member countries when it took power after overthrowing Dictator Anastasio Somoza.

The Honduran Government has denied and continues to deny the Nicaraguan Government's unfounded charges and, to prove that they are false, Honduras has always expressed, and now reiterates, that it is willing to submit to international vigilance and supervision as agreed upon by the Central American countries.

Similarly, the Honduran Government invited Nicaragua's foreign minister to tour the border between the two countries. The Nicaraguan Government has never replied seriously to the Honduran proposals of international vigilance and supervision and has dismissed the invitation proferred to its foreign minister to tour the border between the two countries.

The increasing political, economic and social conflicts that have developed within Nicaraguan society have led to painful confrontations between the Sandinist People's Army and groups of Nicaraguan insurgents. Again today, the Nicaraguan Government resorts to the creation of an international crisis to conceal the internal drama that is transpiring in that country, by seeking to hold Honduras responsible for supporting the insurgents who, according to press reports, are fighting a mere 80 km from the Nicaraguan capital.

Based on this unjustifiable charge, and in an attempt to appear as the victim of the hostility of neighboring countries, Nicaragua has threatened Honduras with war, perhaps expecting a violent reaction. This situation should seriously concern the OAS, which is bound by its charter to strengthen peace and security on the continent, to forestall possible causes of difficulty between member states and to organize actions in solidarity with those members states in cases of aggression. Such concern is amply justified by the threat to use force made by one of its member states, Nicaragua.

I cannot fail to mention to you, Mr President, that exactly 1 year ago the Honduran Government presented to the OAS Permanent Council a peace proposal for the Central American region consisting of six points that can be summarized as follows:

1. To reach agreements to halt the arms buildup in the region, reduce weapons and ban the importation of certain types of military materiel, all of which was directed toward the achievement of general disarmament;

2. To reduce and eventually eliminate foreign advisers, whether military or other kinds;

3. To reach agreements to check and prevent illegal arms traffic in the region;

4. To agree on a system of international supervision and vigilance over the agreements reached;

5. To refrain from creating new disputes, whether territorial or maritime, that could aggravate the regional situation;

6. To promote a multilateral, permanent regional dialogue that permits us to reach political understandings for the establishment of democratic and pluralistic regimes based on the free, regular and honest expression of popular sovereignty.

In view of the increasing threats to peace and security that derive from the arms buildup unleashed by Nicaragua, the presence in Nicaragua of thousands of foreign advisers, many of whom are from outside the continent, the illegal arms traffic in the region, which is also sponsored by Nicaragua, and many other actions that destabilize the Central American region, such as Defense Minister Commander Humberto Ortega's recent statement, Honduras reaffirms its determination to initiate, within the shortest possible time, a multilateral dialogue with the Central American and Caribbean countries to reach responsible and serious agreements that make it possible to strengthen this region's peace and stability. Several states have already expressed agreement with this idea; therefore, it would be a demonstration of good faith and good sense for Nicaragua to pledge publicly to attend such a meeting, since it has thus far been absolutely silent on the subject.

The Honduran Government reiterates once again that it will continue to faithfully fulfill its international obligations and that it will never resort to either the threat or the use of force against any neighboring country in violation of the OAS Charter. It demands that this obligation be fulfilled by Nicaragua as a signatory to the charter.

I take this opportunity to reiterate, Mr President, my highest and most distinguished consideration. [signed] Edgardo Paz Barnica, foreign minister of Honduras

FDN CLAIMS 432 SANDINIST CASUALTIES IN PAST WEEK

PA231756 Paris AFP in Spanish 1717 GMT 23 Mar 83

[Text] Tegucigalpa, 23 Mar (AFP) -- The Sandinist army has sustained a total of 432 dead or wounded in fighting waged during the past week against the Nicaraguan Democratic Force (FDN) in the Matagalpa mountains of Matagalpa, Jinotega and Nueva Sergovia, an anti-Sandinist guerrilla report announced today in Tegucigalpa. The FDN denied Nicaraguan Defense Minister Humberto Ortega's statement on Monday that the Sandinist losses since February were only 57 soldiers killed.

Ortega "is trying to hide the real truth of the losses sustained by the Sandinist Peoples Army, which has buried its dead in the areas of the fighting" the FDN reported.

The FDN guerrillas' report affirms that the Sandinist troops have been "hit the hardest," in Matagalpa, in the central part of the country, and they noted that an ambush in Nueva Sergovia left 35 soldiers dead and other fighting claimed 33 Sandinist lives in Jinotega.

On casualties within their ranks, which according to Minister Ortega were 205 dead, the FDN admitted that "four commandos," whose number they did not specify, were killed in Matagalpa and a similar number wounded. [sentence as received]

CHRISTIAN DEMOCRATS PROPOSE NATIONAL DIALOGUE

PA240126 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 23 Mar 83

[By Olga Ines de Villega]

[Text] The Christian Democrat Party, PDC, today held a press conference to present their proposals for establishing the bases for a national dialogue. Alfredo Landaverde, president of the PDC National Directorate, said Honduras is a country caught up in the dispute between the two world powers.

[Begin Landaverde recording in progress].... specific case of Honduras is what determines its present behavior. Given that our country is located in one of the most difficult and dangerous areas of the world, where the confrontation, through various means, between the United States and the Soviet Union pushes and aligns our country -- and we cannot deny that Honduras is a totally aligned country -- due to its particular importance. Likewise, Hondurans -- mainly those of us who have the responsibility for ruling our country -- have not exerted ourselves enough to balance these powerful international forces that move smaller countries.

Thus it is true, and the news media have provided us with enough information to ascertain, that at various times -- and much more during these last months -- Honduras is working on its own initiative within a large U.S. strategy. I would like to say that U.S. interests are not Honduras' interests. They might coincide at a given moment, but the U.S.-Soviet world confrontation is not within the range of Honduras' capacity. [end recording]

The document proposed by the PDC has been called "National Dialogue: The Road Toward Democratic Peace and Development." [Begin Landaverde recording] The national dialogue must involve all Hondurans, both rulers and the people, civilians and military officers. According to the Constitution, the armed forces must join in a united and patriotic effort along with the political parties and other organizations. The church, with its power to call on the people, must contribute the hope and Christian spirit to facilitate the success of our national dialogue.

6. [As heard] National dialogue must be coordinated by President Roberto Suazo Cordova. [end recording]

The PDC considers national dialogue an appropriate road to improve the country's political, social and economic situation. The PDC is concerned over the East-West confrontation that is becoming evident in the Caribbean Basin. The political party reaffirmed its willingness to participate in an open national dialogue without excluding decisive sectors of the country's political and social life, and including all Hondurans, both rulers and the people, civilians and military officers, even the church. The party agreed that national dialogue must be coordinated by the president. The party also pointed out the advisability of seeking a national agreement.

Last, the PDC adopted a flexible position concerning this dialogue and proposed several topics of national interest.

ARMY OFFICIAL COMMENTS ON RADAR NEAR CAPITAL

PA250220 Tegucigalpa EL HERALDO in Spanish 24 Mar 83 p 20

[Textq Colonel Roberto Martinez Avila yesterday said: We are not jeopardizing our national sovereignty with the installation of radar near our capital, because this would be Honduran and not U.S. equipment.

Shortly after leaving a meeting with President Roberto Suazo Cordova, Labor Secretary Dario Humberto Montes and several union leaders, the official said that the installation of such equipment does not compromise our national sovereignty, because it would belong to Honduras and not to the United States.

Colonel Martinez added that the equipment is "a means to detect any intruder, and the armed forces' role is to defend our country. That is their mission."

NICARAGUA

ANOTHER PROTEST NOTE SENT TO HONDURAN GOVERNMENT

PA250415 Managua Domestic Service in Spanish 0300 GMT 25 Mar 83

[Text] Nora Astorga, acting Nicaraguan foreign minister, today sent another protest note to Honduran Foreign Minister Edgardo Paz Barnica because of two aggressions by the Honduran Army against Sandinist Peoples Army, EPS, soldiers and posts, and an infiltration attempt by a counterrevolutionary band.

The first attack occurred today at 0810 when Honduran soldiers harassed, from their positions, the EPS border observation post located on Cerro la Zopilota, 2 km southwest of San Pedro de Potrero Grande, Chinandega Department. Later, at 1200 today, a Honduran military unit attacked an EPS patrol in an area known as (El Hyote), 6 km northwest of the El Espino border post, Madriz Department. As a result of this attack, a member of the Nicaraguan patrol was wounded.

Yesterday, 23 March, at 0930 EPS soldiers ambushed a Somozist counterrevolutionary unit that was coming from Honduran territory, trying to infiltrate our country. As a result of this clash, 3 EPS soldiers were killed and a total of 15 FAL rifles, 1 Chinese-made RPG-7 rocket launcher and several kg of C-4 plastic explosives were recovered from the counterrevolutionaries.

The Foreign Ministry communique emphasized that the Honduran Armed Forces, in an openly provocative attitude, are offering support to the counterrevolutionary forces that have their camps in that country, and that this is a direct consequence of the interventionist policy of the U.S. Government in Central America.

The provocative actions and attacks on our territory by Honduran soldiers further involve this army in the plan promoted by the United States to provoke an open conflict between Honduras and Nicargua. This would serve as a pretext for U.S. military intervention in Central America, with all the consequences that such an adventure would have on the region and the world.

Aware as we are of the danger that lingers over our peoples, we once again insist on our call for reflection and prudence by the Honduran Government for the good of our peoples to prevent the materialization of these threats, the communique concluded.

OPPOSITION GROUPS DISCUSS UNITY OF ACTION

PA250349 Paris AFP in Spanish 2216 GMT 24 Mar 83

[Text] San Jose, 24 Mar (AFP) -- The Nicaraguan Democratic Union, UDN, and the revolutionary Armed Forces of Nicaragua, FARN. led by Fernando Chamorro, are holding talks with the Nicaraguan Democratic Front, FDN, which is fighting in the mountains in northern Nicaragua, "to try to reach an agreement for unity of action in the struggle."

In a communique issued today in this capital, the UDN-FARN called the members of the FDN "true Nicaraguan patriots, and not members of an institution linked to the Somozist guard." However, it did say that at first the FDN was "a military force formed of many persons who belonged to the dark past of Somozism."

The communique signed by Chamorro said among other things that "We have said in close contact with Misurasata, whose leader is Steadman Fagoth, a genuine representative of the Miskitos. We hope to consolidate those contacts in a short while."

The UDN-FARN also analyzed the reasons they separated from the Democratic Revolutionary Alliance, ARDE, which is led by Eden Pastora and Alfonso Robelo. "The reason for the separation from ARDE was ideological differences. We did not approve of the direction they wanted to give the movement, which consisted of a political solution through an understanding or dialogue with the Sandinist-communist regime."

BORGE HOLDS NEWS CONFERENCE ON FIGHTING

PA250425 Buenos Aires LATIN in Spanish 0005 GMT 25 Mar 83

[By Bern Debussman]

[Excerpts] Managua, 24 Mar (LATIN-REUTER) -- Interior Minister Tomas Borge today estimated at 2,000 the number of armed men that have invaded Nicaragua, and he added that the invasion is aimed at redrafting the political war of Central America according to U.S. wishes.

Borge, a veteran of the civil war that ended the rightist dictatorship of the late Anstasio Somoza in 1979, said at a news conference here that counterrevolutionary operations deep in Nicaraguan territory were intended to create the conditions for general negotiations in Central America from a position of force.

Borge said that the operations of the Nicaraguan Democratic Front, FDN, whose men launched the invasion, was directly linked to the civil war in El Salvador, where the leftist guerrillas are trying to overthrow the government, which has U.S. support.

Accusing the CIA of helping to organize and train the FDN, Borge said that by trying to give false impression that there was a civil war in Nicaragua, the organization and its foreign followers were expecting to establish negotiations related to the situation in both Central American countries.

The United States and its Salvadoran allies accuse Nicaragua of helping and supplying arms to the leftist rebels. Military sources said today in El Salvador that a prolonged conflict in Nicaragua could weaken the Salvadoran rebels.

Borge did not specify the way he thought the general negotiations he talked about would take place. However, the main point of his argument seemed to be that Washington could demand an end to aid for the Salvadoran guerrillas in exchange for the withdrawal of the rightists in Nicaragua.

In its first report on the rightist invasion, the Nicaraguan Government said on Monday that a force of 1,400 counterrevolutionaries had penetrated the Honduran border and occupied positions in the border regions and in the central department of Matagalpa. However, when asked today about the number of rightists in the country, Borge said there were 2,000.

Borge accused Honduras of trying to overthrow the Nicaraguan Government, saying that the Honduran Army had repeatedly supported the counterrevolutionary operations and allowed the rightists to operate freely from bases in Honduran territory.

Borge said that Nicaragua had shown "extraordinary patience" toward Honduras, and he compared the military operations in the border region with "someone running around a powder keg with a torch in his hand."

In a radio transmission that according to Nicaraguan authorities originated somewhere in Honduras, the FDN today reiterated previous statements about ending its military operations if the Sandinists agreed to establish a democracy. Borge said that the rightists were facing serious logistical problems, and that they would be exterminated.

BORGE ON REAGAN SPEECH, U.S. DEFENSE BUDGET

PA251235 Panama City ACAN in Spanish 0059 GMT 25 Mar 83

[Text] Managua, 24 Mar (ACAN-EFE) -- Nicaraguan Interior Minister Tomas Borge today said that the "alleged proof" of the United States against Nicaragua, Grenada and Cuba "is intended to justify a huge military budget." He added that "the largest amasser of arms is now accusing Nicaragua of arming itself and presents photographs of the Sandino Airport with three MI-8 Soviet helicopters as evidence of a threat to U.S. security."

Speaking to some 50 foreign reporters, the interior minister said that Reagan "did not, for example, think of photographing Soviet airplanes and weapons in Peru, where there are many more weapons than in Nicaragua." He stressed that if this photograph "is Reagan Reagan's great reasoning" to accuse Nicaragua of an arms buildup, "It seems to me that this is a lack of respect to the Nicaraguan and U.S. peoples."

The Sandinists have said that the three MI-8 Soviet helicopters were donated by the USSR for use during the 1980 literacy campaign. He added that there is "nothing strange" in having an antiaircraft battery at an airport to defend the installations, as is the case in all the world's airports. Borge added that "Nicaragua has no thermonuclear weapons." "We are sure that Reagan's program is intended to increase U.S. thermonuclear power."

WHEELOCK SAYS U.S. BACKS COUNTERREVOLUTIONARIES

PA240540 Managua Domestic Service in Spanish 0300 GMT 24 Mar 83

[Text] Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform, Midinra, said today during a press conference that a cunning war staged by the Reagan administration is being waged in Nicaragua. He added that at no time does this worry us, but it does show the the interventionist character of U.S. imperialism. The member of the FSLN National Directorate also said that in view of this we are making preparations for the production task, in which more successes are expected. The following is an excerpt of his press conference.

[Begin Wheelock recording] We know that in spite of this cunning war staged by the Reagan administration -- we say cunning because it is not really a war, the fact that some bands of Somozists have infiltrated the country, bands that were dispersed after after the war and that were trained and armed in a hurry to form a group here to make it appear as though Nicaragua was not satisfied with the revolution -- in our country, we are not worried. Of course this proves the interventionist and criminal character of the Reagan administration. But please rest assured that our people will defeat this aggression.

At this time, we are preparing for a new campaign, a productive campaign. We believe that we will achieve greater successes with the development programs that we are promoting and with the economic policies of support for basic grain production and all agricultural products. You must have heard that only a few days ago we approved the new price package that will stimulate grain production in the country. The price of sorghum is going up from 85 cordobas, the price paid last year, to 103 cordobas this year. The price of corn has been increased from 120 or 130 cordobas to 180 cordobas, and the price of beans has been set at 490 cordobas.

The price of rice will remain at 323 cordobas. [No unit of measurement given with prices] In other words, this is a policy to stimulate production, and we hope that in the same manner that we are achieving a victory in the area of [word indistinct] we will achieve a victory in the production of basic grains. [end recording]

SUPPORT SOUGHT ON EMERGENCY UN COUNCIL MEETING

PY241326 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 23 Mar 83

[Excerpts] Buenos Aires, 23 Mar (NA) -- Diplomatic sources reiterated to Noticias Argentinas that the Nicaraguan Government conveyed to the Argentine Foreign Ministry its intention to call an emergency meeting of the UN Security Council.

The sources indicated that if Argentina takes part in the debate its position will be in line with the guidelines established during the last meeting at Isla Contadora, Panama, last January. The sources reported that Argentina is studying the possibility of taking part in the Security Council meeting.

The sources also reported that contacts are being made with the foreign ministries of other countries of the continent in order to agree as much as possible on similar views about this matter.

DELEGATION DEPARTS FOR UN RIGHTS MEETING

PA240433 Managua Domestic Service in Spanish 0300 GMT 24 Mar 83

[Text] An official Nicaraguan Government delegation headed by Justice Minister Carlos Arguello Gomez left today for New York. The delegation will appear before the UN Commission on Human Rights. This international organization will study the report that the Junta of the Government of National Reconstruction presented in February 1982 and the extension issued this year according to the provision included in article 40 of the international agreement on civil and political rights.

CLANDESTINE RADIO REPORTS CLOSING OF RADIO SPORT

PA232341 (Clandestine) Voice of Free Nicaragua in Spanish 2300 GMT 22 Mar 83

[Text] On Wednesday, a Cuban invader and a member of the ministry of terror went to Radio Sport in Granada, removed the station's crystal and ordered the closure of the station. No explanation was given for this action. Radio Sport has a Christian orientation and had been broadcasting the Sunday mass as well as religious sermons by Father (Raul). This was reason enough for Colonel (Luna's) office to order its closure.

Nicaraguan brothers, this is further proof of the persecution of religion and free expression that the nine sons of Somoza, through the ministry of terror, have been practicing since their assault on power.

Peasants, workers, students, professionals, members of the army and militia, get ready to fight and expel once and for all the traitors and those who have sold our homeland. Zero hour is near. Join the forces of the Democratic Revolutionary Alliance, ARDE, struggling to rescue our revolution.

HAVANA COMMENTS ON REAGAN'S 23 MARCH SPEECH

FL242000 Havana Domestic Service in Spanish 1800 GMT 24 Mar 83

[Text] President Ronald Reagan publicly admitted that espionage activities are underway against Nicaragua, Grenada and Cuba. In a speech delivered from the White House, the Yankee leader had the nerve to use every means available to justify the arms buildup. As part of a way to seek congressional support for the budget, the White House chief showed photos of alleged military installations in Cuba, Nicaragua and Grenada.

With perfect synchronization, the U.S. President and the House of Representatives made two completely different analyses on the country's future military policy. According to AFP, at the exact time the chief of the executive branch was addressing the country on television to defend this warmongering policy, the House of Representatives was openly defying him with the approval of half the increase for military expenditures Reagan had asked for.

As usual, the U.S. President used his favorite trick: frightening the U.S. people with the nonexisting Soviet threat in an effort to justify the militaristic path he has chosen. In his speech, the Yankee President proposed the need to talk with the USSR from positions of force and referred to the new U.S. antiballistic systems which, according to the White House, would be based on a technology worthy of a science fiction movie.

However, Congress did not heed this allegation from the White House chief. Speaker of the House Thomas O'Neill did not hid his satisfaction over the vote against an increase in the military budget. He said that the U.S. people think that Reagan's policy is unfair and has gone too far. Certain senators, some of them Republicans, criticized Reagan's speech very harshly. Mark Hatfield, a Republican, described the President's projects as terrifying and added that the plans to militarize outerspace worry him deeply.

GRENADIAN REVOLUTION 'TARGET OF U.S. THREAT'

FL241919 Havana Domestic Television Service in Spanish 1240 GMT 24 Mar 83

[International commentary by Oscar Ferrer from the staff of the "Revista de la Manana" Program and (Joaquin Riveric) from the newspaper GRANMA staff -- live]

[Excerpts] [Ferrer] Good morning friends. Good morning (Riveric). Today we want to comment on the Grenadian situation. As we all know, the Grenadian revolution is the target of constant U.S. threats and provocations, which have been increasing lately.

The statements that Reagan made on 13 March noting that Grenada constitutes a serious threat for U.S. national security can be described as the climax of this imperialist hysteria against the young Grenadian revolution that triumphed 4 years ago, on 13 March 1979.

During a meeting with workers in the Grenadian capital, Prime Minister Maurice Bishop said that his country is experiencing an imminent invasion threat. He charged that the CIA is directly participating in this plan for an invasion. He added that they even know the name of the CIA official who is in charge of all these preparations against Grenada.

Bishop also said that his country is currently facing the worst danger in its history and explained that his conclusions are based on intelligence reports obtained and gathered by the Grenadian security forces. This, (Riveric), shows that there is a great danger looming over Grenada and that the United States is participating in this threat just as it is participating in a plot against the Nicaraguan revolution.

[Riveric] I seems, Ferrer, that we are going through a period in which we are going to have to be counting Reagan's constant threats against one or another revolutionary and popular government in Central America and the Caribbean. We have to keep making commentaries on Nicaragua, Suriname, the aggression against El Salvador, and it seems that we are going to be dealing with this topic constantly because as long as Reagan is in power, there is no other way out.

The statements that Reagan made on 13 March are completely ridiculous. To think that a small country with 100,000 inhabitants and without a navy or an air force can threaten the national security of the United States can only be described as ridiculous. The U.S. threats against Grenada date back quite a long time, practically to the day of the triumph of the revolution when Eric Gairy was overthrown in that country. This campaign began with economic threats, slander and military maneuvers.

Bishop charged that a campaign against Grenada is underway. He said it is a propaganda campaign mainly carried out by top U.S. officials. In other words Reagan, Shultz and Weinberger are constantly making all kinds of high-flown statements about the Grenadian threat, the alleged violations of human rights in Grenada and related charges. However, this is also accompanied by military maneuvers, which have been constant in recent times. Right now there are approximately six U.S. warships less than 100 miles off the coast of Grenada. They are participating in a manuever that began in Puerto Rico a few days ago.

I believe that the threat is truly serious because it seems that the allegation that Grenada endangers the national security of the United States is a pretext used by Reagan to go on to bigger actions against the small English-speaking Caribbean island.

We imagine that the real threat that Grenada allegedly poses for the United States rests on the dignity and grandeur of that revolution. According to a communique issued by the Grenadian Government, it is the revolution of a small and minute country, but this country is standing firm and wants to choose its own path.

Grenada has not been attacked by imperialism so far. But it seems that imperialism is trying to oust any revolutionary government because it has been unable to do so. Imperialism has spend more than 20 years trying to get rid of revolutionary Cuba which hurts imperialists so much -- they feel an incalculable hatred for the Cuban revolution -- but they have not been successful. Therefore, they are trying to destabilize the Nicaraguan Government. They have already begun economic aggression against Suriname. They have continued their campaign against Grenada and it seems that they are seeking retaliation because of their constant defeats.

However, in the case of Grenada we must note that despite all the slanderous campaigns, it is the only Caribbean country that has been praised by the World Bank and the IMF.

[Ferrer] And to conclude, I wanted to note that Bishop's charges fully justify Grenada's insisting on the need to strengthen its defense because a real threat of aggression exists.

We must point out that the propaganda and the economic, political and diplomatic destabilization that imperialism has tried to use against Grenada failed. Therefore, we must not doubt that they are now trying to use military force to eliminate the Grenadian revolution which bothers the imperialists so much.

The U.S. provocations against Grenada, as I said and you also mentioned, justify Grenada's insisting on its own defense and on denouncing this provocation and threat looming over it.

MADRID REPORTS ON MALMIERCA'S PRESS CONFERENCE

PM241215 Madrid EL PAIS in Spanish 19 Mar 83 p 18

[Miguel Angel Aguilar report on Cuban Foreign Minister Isidoro Malmierca 18 March press conference in Madrid: "Cuba Would Welcome Spanish Demarches for Peace in Central America"]

[Text] Madrid -- It was midday Friday. An atmosphere of optimism persuaded his accompanying retinue in the hotel suite. A few minutes' wait spent with correspondents of the Cuban PRENSA LATINA Agency revealed a difference of journalistic forces -- one man in Madrid, 15 in Paris. The minister had just arrived from the Zarzuela Palace, where he was received by the king. He spent Thursday evening with Prime Minister Felipe Gonzalez. The Moncloa Palace provided no details of the conversation, which was also attended by the Spanish and Cuban ambassadors in Havana and Madrid.

Minister Malmierca readily summed up his impressions of his meetings and, Cohiba [Reference unknown: possibly a brand of cigarette] in hand, presented the image of a Madrid politician. Of the meeting with the prime minister, Malmierca remarked on the cordial and friendly atmosphere and the broad international stocktaking that occurred, with special reference to certain political problems, and an evaluation of the economic situation. He stressed the shared desire of Cuba and Spain to contribute to maintaining peace and ensuring that a climate of detente prevails. The Spanish prime minister was interested in the proceedings of the Seventh Nonaligned Summit Conference. The Cuban minister, who arrived in Madrid from New Delhi, gave his own assessment, centered on the success constituted by the attendance of over 60 heads of state and government, the constructive atmosphere of the sessions and the importance of the final declaration text.

With regard to Central America, Malmierca presented the Cuban viewpoint on the surge in the people's struggle in the region and the people's will for an independent future. He also stated the risks of a direct U.S. military intervention and the Cuban principle of working to prevent such a threat from materializing. As for the audience with King Juan Carlos, the minister simply revealed the formal invitation from Fidel Castro that he had conveyed for the king to visit Cuba and the greetings that his majesty asked him to convey to the Cuban president.

Some questions not asked at Malmierca's briefing sessions with deputies and senators Thursday became necessary. First, concerning the fate of the Spaniard Gutierrez Menoyo, who is still in a Cuban jail. According to Malmierca, he is a convict sentenced by the courts.

The courts found him guilty of organizing an armed gang that entered Cuba illegally and attacked the Armed Forces, among whom it claimed several casualties before its plans were thwarted. "Revolutionary generosity," the minister said, "reduced the duration of several sentences and led to pardons, but the fact that there were casualties makes it more difficult to apply in Menoyo's case."

Malmierca made a digression to explain that the phenomenon of dual nationality is unconstitutional in Cuba and that he himself and ambassador Oscar Garcia are sons of Spaniards, as is a very large proportion of Cubans of their generation. The minister considers the renegotiation of Cuba's debts to all its creditors satisfactorily resolved and hopes that there will be mutually beneficial progress in economic relations. With regard to the claims made following the revolutionary expropriations, Malmierca believes that these have been settled with all countries except the United States, whose conduct has hitherto prevented a solution. This settlement will be one of the topics for future conversations with Washington, which are not urgent after 25 years. "If, " he added ironically, "we compare the effects of the U.S. blockade on Cuba with the results of U.S. aid to other Latin American countries, we would have to conclude that the treatment received has been very favorable to us." The Cuban minister eventually admitted that some claims submitted by Spaniards may remain unresolved but pointed out that he lacked detailed information.

In his opinion opportunities for Spanish-Cuban cooperation stem from the rapprochement and similarity of viewpoints between the countries on several issues -- not only general ones, such as the defense of peace, but also very specific ones. However, the minister declined to be any more precise and spoke of the need to identify opportunities for economic, cultural and political cooperation with firms and state organizations. He mentioned a number of cultural projects discussed by his government colleague Armando Hart and highlighted the establishment of a Cuban national commission comprising the culture, foreign and economy ministers as well as the Academy of Sciencies, to contribute to the celebrations of the quincentennial of discovery.

With regard to what role Spain can play in Central America, Malmierca said emphatically: "We are not advisers to Felipe Gonzalez' government and do not feel qualified to be so, but Spain's rapprochement and ties with our region confer a privileged position on it and enable it to work in favor of more satisfactory solutions. Cuba has welcomed the demarches of Mexican President Lopez Portillo, Venezuelan President Herrera Campins and the Mexican, Venezuelan, Colombian and Panamanian foreign ministers at their meeting on Contadora Island. If there were Spanish demarches, Cuba would welcome them too."

In Malmierca's opinion the options in Central America are not uncertain. It merely remains to await the collapse of the Salvadoran Army before a revolutionary government establishes itself or a solution is negotiated to pave the way for a people's government embracing representatives of all the country's sectors and political forces. With regard to U.S. reluctance to accept negotiations and its fears that they would encourage the use of violence as a way of taking power. Malmierca called a recent HERALD TRIBUNE cartoon showing a version of the domino theory. The first frame showed U.S. military advisers; the second, involvement in armed actions...; the third, Vietnamization.

Next the conversation turned to the lack of credibility of Cuba's supposed "nonalignment." The minister gave assurances that his country declares itself "socialist, nonaligned and Latin American" and has always differentiated between "nonalignment" and neutrality. Cuba he stressed, is anti-imperialist, and this is stated in its constitution. In his opinion the difficulties with the United States stem from the fact that Cuba exercises its rights in a sovereign manner. According to the minister, the Soviet Union has never presumed to limit Cuban independence and therefore enjoys Havana's respect and gratitude. This also how he assesses the USSR's action over Poland, which in his opinion has been freed from the foreign-rooted conspiracy aimed at wresting it from the socialist camp.

According to Malmierca, the Poles now have the situation in their own hands and have found a Polish solution that alleviates international tension.

The Cuban revolution's loss of image was cited. The present generation of Spanish democratic politicians, who pinned many hopes on Castroism, now criticize the lack of progress in the cause of human and civil rights. Malmierca resorted to sarcasm when he acknowledged that "in Cuba some human rights are limited, such as the right to die of starvation, not to attend school, not to work and to be illiterate. In other Latin American countries those rights are highly developed." He also admitted that in his country there is no opposition press, but added that "we encourage the press to criticize things that are done badly."

HART ON POSSIBLE CASTRO TRIP TO W. EUROPE

PM240931 Paris LE MONDE in French 23 Mar 83 p 6

[Interview with Cuban Culture Minister Armando Hart by Marcel Niedergang in Paris on 21 March]

[Text] Mr Fidel Castro wants to make an official visit to Western Europe this year but no specific arrangements have yet been made with the Swedish, Madrid or Paris authorities. That was confirmed to us by Cuban Culture Minister Armando Hart in an interview on Monday 21 March during a stopover in France after a visit to Spain. The possibility of a visit to Europe by Mr Fidel Castro, for the first time since the establishment of the Castroist regime, has been raised several times in the past few weeks. Thus no official decision has been taken by the governments of the three countries involved, but preliminary negotiations are continuing.

In Paris Mr Armando Hart was to open a retrospective exhibition of the Cuban painter Wilfredo Lam at the museum of modern art on Wednesday 23 March. He was also due to have talks with a number of French leaders and with PS First Secretary Jospin.

This proposed visit by Mr Fidel Castro is part of a new Cuban approach to the West European countries at a time when the Havana government seems very concerned by the development of the situation in Central America. Mr Hart thinks that "the United States seems determined to intervene increasingly markedly in the region, especially in El Salvador and Nicaragua," and that "this attitude is dangerous because it is likely to lead to a Vietnamese-type situation." The repercussions of a U.S. intervention would, according to the Cuban minister, be "disastrous at all levels."

He thinks that "the Reagan administration's aggressive policy in encountering the hostility of some congressmen and a section of public opinion in the United States." and it seems certain that "the Nicaraguans are fully capable of defending themselves by their own means," thus, implicitly, ruling out a possible direct Cuban response should the Managua Sandinista government face a real war situation.

But he also thinks that diplomatic interventions by some European countries could play an important role and encourage the possible opening of dialogue between the parties involved in the Central American conflicts. For instance Mr Hart thinks that an initiative in that direction by Latin American countries, Mexico and Colombia for instance, could be effectively supported by France and Spain. In any case the Madrid government now seems involved in a "good offices" action in Central America.

Mr Hart thinks that his country is the "victim of a slander campaign in the Western media." "We are accused of establishing a powerful bureaucratic apparatus," he said.

"But why do people not talk about the bureaucratic apparatus of the transnational press agencies which are giving a distorted picture of our cultural situation? There is talk of some dissident cases. But can anbody give me one name of a prominent Cuban figure in literature and the arts who has left Cuba? Before the revolution 1 million books per year were published in Cuba. Now we publish around 50 million per year. Should our problems be judged by scandals organized for publicity purposes centering on one or two people or by the number of libraries in the country?"

"People, especially in the United States, are asking us to return to the Western fold," Mr Hart also said. "But we are westerners, and we place our cultural and political discussion in the Western framework. It is up to Western Europe -- and it would greatly benefit from this -- once again to turn more toward Third World problems...."

VALDES NOTES CRIME IN HOTELS, RESTAURANTS

FL241436 Havana Domestic Service in Spanish 1100 GMT 24 Mar 83

[Text] Ramiro Valdes, member of the Politburo and interior minister, made a speech at the opening session of the Domestic Trade Ministry's assessment meeting in which he discussed the current situation of criminal and antisocial activity in hotels and restaurants and related services, and the effort undertaken by the police for its eradication.

Minister Valdes noted the different ways in which the crimes are perpetrated and the main causes making them possible and feasible, including weak administrative supervision at various levels, the absence of more effective technical-economic controls, and the lack of inspections and supervisors on the part of the administration.

Commander of the Revolution Ramiro Valdes noted the danger involved in antisocial activities, no matter how minor they are, in a sector so important economically and politically because of its continued contact with the population. He stressed that in that sense, revolution will give no respite in the battle against such harmful manifestations and that the maximum severity of the law will be applied. After stressing that this must not only be a battle of the interior ministry, but an ideological battle of the masses as well, the minister called for the implementation of consistent joint, all-round state and political measures.

In his closing remarks, Domestic Trade Minister Manuel Vila Sosa referred to 1982 accomplishments, which he termed very positive inasmuch as the sector had collected 80 percent of the population's expenses, the importance of which is primarily political and not economic. He referred to the parallel market and said 141 million pesos had been sold by it from September through March. He also noted the favorable reception given by the population to the sales system and its success stimulates the opening of new units of that type.

GRENADA

GOVERNMENT TO RESPOND TO U.S. PRESIDENT'S SPEECH

FL242345 St Georges Domestic Service in English 2300 GMT 24 Mar 83

[Text] President of the United States of America, Ronald Reagan, in a live broadcast [words indistinct] to listeners in the U.S. and other parts of the world last night, once again attacked the Grenada revolution. It is the second time in 2 weeks that the President of the U.S. characterized the Grenada revolution as a threat to the security interests of his country. [passage omitted includes recording of President Reagan's address]

This second attack on Grenada comes at a time when the U.S. military are involved in maneuvers in the Caribbean area [words indistinct]. The People's Revolutionary Government [PRG] has said that the attacks by Reagan are prelude to an all-out military attack on the Grenada revolution.

The full text of the PRG's official response to the attack on Grenada by U.S. President Ronald Reagan will be aired following the tonight newscast.

GOVERNMENT RESPONSE TO REAGAN'S 10 MARCH SPEECH

FL250130 St Georges Domestic Service in English 2345 GMT 24 Mar 83

[Text] The following is the response of the People's Revolutionary Government [PRG] on the attacks made on the PRG by President Ronald Reagan on March 10, 1983. The Ministry of Foreign Affairs of the PRG of Grenada presents its compliments to the Embassy of the United States of America in Bridgetown, Barbados and has the honor to convey the people's concern of the PRG about certain media reports of statements made by President Reagan in his speech delivered before the National Association of Manufacturers on March 10, 1983.

The President is reported to have said, internationally, that Grenada is now building on its (?shores), quote, a naval base and superior air base, unquote, and that Grenada poses a threat to national security of the United States of America. The PRG is particularly concerned since the testimony of the (?officials) follow closely on similar statements made by other officials of the United States Administration, including the vice president of the United States of America, the secretary of state, the secretary of defense and (?other) assistants of the secretary of defense of the United States of America.

Certain developments which have occurred in Central America within the last few days have also heightened the concern of the PRG. The PRG is astounded that these statements could have been made by, or even attributed to, the President of the United States of America and other high officials of his administration, since they are, most certainly be known by the U.S. Government to be absolutely false and [words indistinct] infactual [word indistinct] whatsoever. The PRG categorically rejects the statements that it is building, has built, or intends to build a naval base, a superior air base or any air base in its territory and finds it incredible that anyone can consider that Grenada is capable of constituting a threat to national security of the United States of America.

On several occasions, and in particular, in the prime minister's letter of August 11, 1981 to the President, the PRG has sought to reassure the Government of the United States of America that the new international airport being constructed at Point Salines in Grenada is similar in size and characteristics with many other airports in the Caribbean region, (?such as) Antigua and Barbados and Trinidad and Tobago and that the government has no intention of using its airport for any purpose other than as a means of developing Grenada's relatively untapped tourism potential [words indistinct].

Until the recent statements, the PRG felt fully confident that these reassurances had dispelled the unfriendly and unreasonable (?charges) of the U.S. Administration with regard to Grenada's airport.

Further, these statements appear to be in stark contradiction to the views and opinions of the administration's own naval and air defense officials. This is evident from testimony given by the Honorable Ronald V. Dellums, the representative to the United States Congress from the State of California, (?testifying) [words indistinct] on United States policy toward Grenada, conducted [words indistinct] 1982, before the Subcommittee on International Affairs [words indistinct] Representatives. In his testimony before the committee, the congressman noted that, quote, in an effort to understand the specific situation regarding Grenada, I recently conducted a fact-finding mission to Grenada. Before departing the United States, I visited the headquarters of the Atlantic Sea. The Atlantic Sea commander has authority over U.S. (?air) and naval units in the Atlantic and [words indistinct]. Following extensive and comprehensive briefing, I [words indistinct] actually (?professing) that nothing (?new known on) Grenada constitutes a threat to the United States or her allies. Mr Chairman, there is particularly no concern regarding the new international airport currently under construction in Grenada. As a matter of fact, the Atlantic Sea commander stated that the new airport is a military nonsequitur, unquote.

Continuing his testimony to the subcommittee, Congressman Dellums (?tersely) speaking, quote, in an effort to properly assess the specifics regarding the now [word indistinct] military position which (?concerns) the construction of the airport in Grenada, I visited Homestead Air Force Base, home of the Air Defense Command. In briefings by high level officials, I was again assured that the airport under construction in Grenada was of no consequence to the United States. Further, this has not now, or ever, presented a threat to the security of the United States. During my visit to Grenada, I met with Prime Minister Maurice Bishop and Deputy Prime Minister Bernard Coard and (?widely) discussed the new international (?airport) and the alleged [word indistinct] naval sites in question. A detailed account of that meeting has been included in my official report o the Armed Services Committee. In brief, the prime minister and the deputy prime minister reiterated Grenada's position. The airport is needed for economic development of the island and not for military use as has been stated by the departments of defense and state. It should be noted that I asked and was given permission to (?visit) the [word indistinct] sites and the alleged sites of naval facilities. My observations are outlined and detailed in my report to the Armed Services Committee, end of quote.

In view of the manifest contradictions between, on the one hand, the facts as they exist in Grenada and reported by the statements made by Congressman Dellums when appearing at the subcommittee on international affairs and, on the other hand, the recent statements made by the president and his top officials, the PRG has continued [words indistinct] the Government of the United States of America of the facts on which the recent administration's statements were based and the intentions with which they were made.

Finally, the PRG has on several occasions called for urgent high-level discussions with the United States Administration. The PRG believes that the need for discussions are even more [word indistinct] for concern, and accordingly, the [word indistinct] which calls for an early meeting to be convened at the highest possible level between the officials of the United States Government and the PRG, is a need for clearing up any misconceptions or misunderstandings that might exist and to improve the relations between the two governments. The proposed talks may take place either in St Georges or Washington or at such other convenient (?venues) as the two governments may appeal.

The Ministry of Foreign Affairs of the PRG avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

That was the text of the statement in response to attacks made on the Grenada revolution by the President of the United States, Ronald Reagan.

BISHOP BLASTS CIA, PUTS FORCES ON ALERT

FL241452 Bridgetown CANA in English 1448 GMT 24 Mar 83

[By George Worme]

[Text] St Georges, Grenada, March 24, CANA -- Grenada's Prime Minister Maurice Bishop has put the country's armed forces on a state of alert and told civilians to prepare for a military attack from "counter-revolutionaries" backed by the United States.

In a 40-minute address carried on the state-owned "Radio Free Grenada" last night, the head of the leftist People's Revolutionary Government (PRG) appealed to Grenadians to join the militia to defend the country, saying that there was "concrete intelligence information" pointing to the possibility of an imminent attack on the small spice-exporting island.

He linked the United States Central Intelligence Agency (CIA) to the plot, reported after the Government Information Service (GIS) had announced the state of alert, and said that the agency had assigned at least two case officers to coordinate the plan, and was providing money, arms and training.

"We have been able to discover the name and full background of the main CIA case officer responsible for coordinating the present plot," said Mr Bishop.

"We know where he has worked before, we know what his previous activities have been and we know which other revolutionary processes he has attempted to subvert in recent times."

Mr Bishop said the group planning to topple his government, which took power in a coup in March 1979, included Grenadian exiles, Cubans who had been involved in the sabotage of a Cubana airliner that crashed off Barbados in 1976, and supporters of the late Nicaraguan dictator Anastasio Somoza. He said their main base of operation was a Caribbean island a few miles from Grenada. He did not identify it.

"We have been able not only to uncover the actual plan to overthrow our government and turn back our revolution but also the approximate number and types of arms they possess, and the kinds of logistical support they hope to receive," Mr Bishop said.

"We know many of the persons they intend to arrest, those they plan to kill and how they plan to strike terror and fear among the broad masses. We know the actual period in the near future that they are hoping to use to launch their murderous attack."

Mr Bishop, whose government has icy relations with the United States, has been urging Grenadians to join the militia to defend the country since President Reagan's recent claim about a Soviet-supported arms build-up in the island. Mr Bishop said the government was calling "our people to arms because we again have to shoulder our fundamental responsibility to defend what we fought for and what we have won after many years of bitter struggle."

The Grenada Government, he added, would be launching a large-scale diplomatic and political initiative to alert regional and international public opinion of the "grave threat" posed to the country, and to mobilise support for Grenada.

He said the evidence on the alleged plot in the possession of the Grenada Government was based on the findings of the intelligence service which for some time had been fathering information on "counter-revolutionary" groups that had publicly declared their intention to overthrow revolutionary governments in the region, particularly Grenada's.

The prime minister said the investigation by the security forces revealed that "the key counter-revolutionaries," including Grenadians and non-Grenadians, had been meeting more frequently in recent months.

Mr Bishop also said that the work of the Grenadian Intelligence Service indicated that several of "these corrupt, opportunist and reactionary elements who aspire to grab power have begun to resolve their leadership differences with the aim of creating a more united counter-revolutionary front."

These people, he said, had also stepped up coordination of their plan to attack Grenada, and had received direct CIA assistance in the form of money, arms and training. They had also received offers of transportation, logistical support and supplies, and an undertaking that immediately on launching their attack their declared "counter-revolutionary government" would receive recognition from the United States, he added.

The Grenadian prime minister alleged that one CIA case officer linked with the plot was known to have been involved in directing and masterminding "the operation to assassinate the leadership" -- a reference to the June 19, 1980 bomb blast here which killed three people at a government-sponsored rally.

He stated that those Grenadians opposed to his regime have established direct links with the Cuban exile group responsible for the CIA Cubana disaster off the coast of Barbados as well as with supporters of the late Nicaraguan dictator Somoza presently involved in the invasion of Nicaragua.

"With the assistance of the CIA," he said, "these elements have been able to get some of the criminal elements they hope to use in the invasion of our country trained in Miami in some of the same camps in which the Somozista counter-revolutionaries and various other mercenaries have been trained."

According to Mr Bishop, as part of the planning process the CIA had helped to allocate different sets of these "criminal counter-revolutionaries" for the physical attack on Nicaragua and Grenada. The prime minister also renewed his call for those Grenadians who have not joined the militia to enlist for those who have left the voluntary force to rejoin.

Other measures being taken by the government to strengthen the country's defence capacity, he said, included immediate recruitment into the Peoples Revolutionary Army (PRA) and the police service. The Armed Forces also plan to hold a massive military maneuver from April 21 to 24 in defence of the homeland "to demonstrate to imperialism that we are a United, strong and vigilant people who would never give up," Mr Bishop said.

PEOPLE ASKED TO JOIN MILITIA, PREPARE FOR ATTACK

FL241439 Bridgetown CANA in English 1424 GMT 24 Mar 83

[Text] St Georges, Grenada, March 24, CANA -- Grenada's Armed Forces chief Hudson Austin has called on people here to join the militia and prepare for an imminent attack on the island by "United States imperialism."

"From here, comrades," he told a mass rally yesterday afternoon, "every one of you must report to your militia centre. You will find comrades there who are going to talk to you. You will find comrades there who will tell you what we are doing.... and prpare you for what is coming in the next few days."

Austin said that, whenever counter-revolutionaries enter Grenada and "fire one single bullet", it is the people's duty to "wipe them off the planet." Grenadians cannot be complacent, he said, because it was made public that the United States is training mercenaries in Miami to foil the revolutionary processes in the Caribbean, which means Cuba, Grenada and Nicaragua.

Paratroops could be dropped in Grenada's mountains tonight, he said. "So comrades," he said, "whatever angle they come from or action they take, we must be ready to fight them, we must be ready to kill, I say kill, comrades, to kill every one of them. We must be ready to wipe them out. We must be ready to use them as manure for the bananas and nutmegs."

General Austin told the demonstrators to be always alert to the possibility that at any moment, "all those (foreign) 300 planes and all those 70 battleships that are presently in our waters in the Caribbean: could be dropping troops on Grenada.

"But comrades," he said, "they may drop their troops, they may have plenty battleships and they may have plenty planes and they may have plenty soldiers who are fighting for big salaries, but nothing can beat a people who know what they are fighting for...."

U.S. AIR FORCE JETS REPORTED IN GRENADA AIRSPACE

FL250210 St Georges Domestic Service in English 2300 GMT 24 Mar 83

[Text] According to reports from Piarco Airport in Trinidad, United States fighter jets are now involved in maneuvers in Grenada's air space. Reports reaching RFG [Radio Free Grenada] this evening said that the U.S. Air Force jets will also be using missiles and this has forced passenger aircraft in the area to fly without means of navigational equipment.

According to the source, this is seriously endangering the lives of passengers flying in this area with pilots having to use their own vision in their flights. The exact amount of U.S. aircraft used in the maneuvers have not yet been determined but reports say it was a substantial force.

MORE CALLS TO REVIEW BANANA MARKET IN UK HEARD

FL242300 Bridgetown CANA in English 2218 GMT 24 Mar 83

[By George Worme]

[Excerpts] St Georges, Grenada, March 24, CANA -- There were calls here today for a review of the contractual arrangements governing the sale of Windward Islands bananas on the British market. Grenada's Agriculture Minister George Louison and the president of the Winward Islands Banana Association (WINBAN), Harry Atkinson, both made similar appeals during the opening here of a top level meeting of officials from the eastern Caribbean four main banana producers -- Grenada, St Lucia, St Vincent and Dominica.

Regional bananas are marketed in the United Kingdom by the British firm Geest Industries Limited under contract with Winban. Over the next two days the delegates including representatives of Geest will discuss such issues as the present market situation, fruit quality, shipping schedules, procedures for dealing with Geest Industries and an input revolving fund.

Among the other agenda items are the regional marketing of bananas, regional aerial spraying, a review of the contractual cost covering the 1983/84 period, carton prices, production estimates and the visit to Britain by a group of winban accountants.

Mr Louison in his address said that any "frank look" at the overall banana industry in the Windward Islands would show that Geest Industries have been the major beneficiary by far at the expense of the growers.

He said the contractual arrangement was heavily in favour of Geest and that the farmers and economies in the various Windward Islands "have been holding the dirty end of the stick as far as the overall banana cake has been concerned."

"We have been getting a vastly smaller slice of that cake than the company has been able to get," he added. The minister called on Winban and the various banana growers associations in the islands to examine in detail their relationship with Geest and to take the necessary steps to correct some of the problems affecting the industry, particularly the contractual arrangements.

"We know that when the company started off in our area, it (was)...leasing ships and today we can see the company has been able to move in these twenty-nine years from a situation of leasing ships to now owning four large vessels.

ST VINCENT AND THE GRENADINES

FORMER MINISTER CALLS FOR SINGLE CURRENCY

FL241727 Bridgetown CANA in English 1336 GMT 24 Mar 83

[Text] Kingstown, St Vincent, March 24, CANA -- A former minister of health of St Vincent and the Grenadines, Randolph Russell, has called on the Caribbean community (Caricom) to work towards establishing a single currency for the region. Mr Russell, now an opposition parliamentarian, said such a currency, usable in all Caricom-member states, would put an end to what he described as "the currency war presently going on between Jamaica, Barbados and Trinidad and Tobago."

In early January, Jamaica introduced a two-tier country exchange rate, fixing one U.S. dollar at 1.78 Jamaica dollars for essential imports, raw material to be used in products to be sold abroad, and for certain payments, while other imports, including most of those from Caricom member-states were to be at a more expensive parallel market rate set by individual commercial banks.

The new exchange rates have brought adverse re-action from within Jamaica itself, and from that country's Caricom trading partners who complain that their products in Jamaica would be more expensive and that sales would be significantly reduced. Mr Russell said the new system was hurting the lesser developed countries (LDCs) of the region most since they were spending the bulk of their funds purchasing oil and other manufactured goods at exorbitant prices from the more developed countries (MDCs).

He made special reference to the foreign exchange problems being experienced by Vincentian inter-island traders in taking money from sales of their produce out of Trinidad and Tobago. Mr Russell said the situation was not only damaging commerce in the region, but would also affect the movement of people within the Caribbean.

GOVERNMENT RESUMES TALKS WITH BAUXITE INDUSTRY

FL241848 Bridgetown CANA in English 1518 GMT 24 Mar 83

[Excerpts] Paramaribo, Suriname, March 24, CANA -- The military-backed Suriname Government has resumed negotiations with the private owners of the country's vital bauxite industry on setting a possibly higher levy on production in 1982.

Suriname's Minister of Natural Resources and Energy Erik Tjon Kie Sim said at the resumption: "In this stage of the revolutionary process Suriname is striving towards a national controllable production structure which generates optimal out-put for the people and its development."

The bauxite industry, which provides 80 per cent of the country's foreign exchange earnings, is controlled by a U.S. firm Suralco and Biliton, a subsidiary of Royal Dutch Shell.

Suriname has an average production of about four million tons of bauxite yearly from which the government revenue was 78.9 million dollars U.S. in 1981 and about 54.4 million dollars U.S. in 1982.

"Chob" Spokesman labour leader Fred Derby said this week that Suralco wants to pay its 1982 levy on the basis of the formula used in 1981. But "Chob" rejected this and is demanding that the levy for 1982 must be calculated and charged on the basis of conditions valid in that same year. Biliton has expressed agreement with this formula, Derby said.

"Chob" has appealed to Suralco to give serious attention to this matter which is of great importance to the country, Derby said. He stressed that "Chob" was negotiating using the principles of consultation, mutual understanding, recognition of the responsibility of the government, and moreover: with international general accepted opinions on economic righteousness.

The commission said it expected a similar attitude from the industry.